



General Assembly

January Session, 2017

Raised Bill No. 1054

LCO No. 6257



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING VARIOUS TAX RATES, THE USE OF CERTAIN TAXES AND FEES FOR TOURISM AND OTHER PROGRAMS, ESTABLISHING THE MENTAL HEALTH COMMUNITY INVESTMENT ACCOUNT AND CONCERNING THE PURPOSE OF THE CAPITAL REGION DEVELOPMENT AUTHORITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subparagraph (B) of subdivision (1) of section 12-408 of
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2017, and applicable to sales occurring on or after*
4 *July 1, 2017*):

5 (B) (i) At a rate of fifteen per cent with respect to each transfer of
6 occupancy, from the total amount of rent received for such occupancy
7 of any room or rooms in a hotel or lodging house for the first period
8 not exceeding thirty consecutive calendar days;

9 (ii) At a rate of ten per cent with respect to each transfer of
10 occupancy, from the total amount of rent received for such occupancy
11 of any room or rooms in a bed and breakfast establishment for the first

12 period not exceeding thirty consecutive calendar days;

13 Sec. 2. Subparagraph (B) of subdivision (1) of section 12-411 of the
14 general statutes is repealed and the following is substituted in lieu
15 thereof (*Effective July 1, 2017, and applicable to sales occurring on or after*
16 *July 1, 2017*):

17 (B) (i) At a rate of fifteen per cent of the rent paid for occupancy of
18 any room or rooms in a hotel or lodging house for the first period of
19 not more than thirty consecutive calendar days;

20 (ii) At a rate of ten per cent of the rent paid for occupancy of any
21 room or rooms in a bed and breakfast establishment for the first period
22 of not more than thirty consecutive calendar days;

23 Sec. 3. Section 12-407 of the general statutes is repealed and the
24 following is substituted in lieu thereof (*Effective July 1, 2017, and*
25 *applicable to sales occurring on or after July 1, 2017*):

26 (a) Whenever used in this chapter:

27 (1) "Person" means and includes any individual, firm,
28 copartnership, joint venture, association, association of persons
29 however formed, social club, fraternal organization, corporation,
30 limited liability company, foreign municipal electric utility as defined
31 in section 12-59, estate, trust, fiduciary, receiver, trustee, syndicate, the
32 United States, this state or any political subdivision thereof or any
33 group or combination acting as a unit, and any other individual or
34 officer acting under the authority of any court in this state.

35 (2) "Sale" and "selling" mean and include:

36 (A) Any transfer of title, exchange or barter, conditional or
37 otherwise, in any manner or by any means whatsoever, of tangible
38 personal property for a consideration;

39 (B) Any withdrawal, except a withdrawal pursuant to a transaction

40 in foreign or interstate commerce, of tangible personal property from
41 the place where it is located for delivery to a point in this state for the
42 purpose of the transfer of title, exchange or barter, conditional or
43 otherwise, in any manner or by any means whatsoever, of the property
44 for a consideration;

45 (C) The producing, fabricating, processing, printing or imprinting of
46 tangible personal property for a consideration for consumers who
47 furnish either directly or indirectly the materials used in the
48 producing, fabricating, processing, printing or imprinting, including,
49 but not limited to, sign construction, photofinishing, duplicating and
50 photocopying;

51 (D) The furnishing and distributing of tangible personal property
52 for a consideration by social clubs and fraternal organizations to their
53 members or others;

54 (E) The furnishing, preparing, or serving for a consideration of food,
55 meals or drinks;

56 (F) A transaction whereby the possession of property is transferred
57 but the seller retains the title as security for the payment of the price;

58 (G) A transfer for a consideration of the title of tangible personal
59 property which has been produced, fabricated or printed to the special
60 order of the customer, or of any publication, including, but not limited
61 to, sign construction, photofinishing, duplicating and photocopying;

62 (H) A transfer for a consideration of the occupancy of any room or
63 rooms in a hotel, [or] lodging house or bed and breakfast
64 establishment for a period of thirty consecutive calendar days or less;

65 (I) The rendering of certain services, as defined in subdivision (37)
66 of this subsection, for a consideration, exclusive of such services
67 rendered by an employee for the employer;

68 (J) The leasing or rental of tangible personal property of any kind

69 whatsoever, including, but not limited to, motor vehicles, linen or
70 towels, machinery or apparatus, office equipment and data processing
71 equipment, provided for purposes of this subdivision and the
72 application of sales and use tax to contracts of lease or rental of
73 tangible personal property, the leasing or rental of any motion picture
74 film by the owner or operator of a motion picture theater for purposes
75 of display at such theater shall not constitute a sale within the meaning
76 of this subsection;

77 (K) The rendering of telecommunications service, as defined in
78 subdivision (26) of this subsection, for a consideration on or after
79 January 1, 1990, exclusive of any such service rendered by an employee
80 for the employer of such employee, subject to the provisions related to
81 telecommunications service in accordance with section 12-407a;

82 (L) (i) The rendering of community antenna television service, as
83 defined in subdivision (27) of this subsection, for a consideration on or
84 after January 1, 1990, exclusive of any such service rendered by an
85 employee for the employer of such employee. For purposes of this
86 chapter, "community antenna television service" includes service
87 provided by a holder of a certificate of cable franchise authority
88 pursuant to section 16-331p, and service provided by a community
89 antenna television company issued a certificate of video franchise
90 authority pursuant to section 16-331e for any service area in which it
91 was not certified to provide community antenna television service
92 pursuant to section 16-331 on or before October 1, 2007;

93 (ii) The rendering of certified competitive video service, as defined
94 in subdivision (38) of this subsection, for consideration on or after
95 October 1, 2007, exclusive of any such service rendered by an
96 employee for the employer of such employee;

97 (M) The transfer for consideration of space or the right to use any
98 space for the purpose of storage or mooring of any noncommercial
99 vessel, exclusive of dry or wet storage or mooring of such vessel

100 during the period commencing on the first day of October in any year
101 to and including the thirty-first day of May of the next succeeding
102 year;

103 (N) The sale for consideration of naming rights to any place of
104 amusement, entertainment or recreation within the meaning of
105 subdivision (3) of section 12-540;

106 (O) The transfer for consideration of a prepaid telephone calling
107 service, as defined in subdivision (34) of this subsection, and the
108 recharge of a prepaid telephone calling service, provided, if the sale or
109 recharge of a prepaid telephone calling service does not take place at
110 the retailer's place of business and an item is shipped by the retailer to
111 the customer, the sale or recharge shall be deemed to take place at the
112 customer's shipping address, but, if such sale or recharge does not take
113 place at the retailer's place of business and no item is shipped by the
114 retailer to the customer, the sale or recharge shall be deemed to take
115 place at the customer's billing address or the location associated with
116 the customer's mobile telephone number; and

117 (P) The furnishing by any person, for a consideration, of space for
118 storage of tangible personal property when such person is engaged in
119 the business of furnishing such space, but "sale" and "selling" do not
120 mean or include the furnishing of space which is used by a person for
121 residential purposes. As used in this subparagraph, "space for storage"
122 means secure areas, such as rooms, units, compartments or containers,
123 whether accessible from outside or from within a building, that are
124 designated for the use of a customer, where the customer can store and
125 retrieve property, including self-storage units, mini-storage units and
126 areas by any other name to which the customer has either unlimited
127 free access or free access within reasonable business hours or upon
128 reasonable notice to the service provider to add or remove property,
129 but does not mean the rental of an entire building, such as a
130 warehouse. For purposes of this subparagraph, furnishing space for
131 storage shall not include general warehousing and storage, where the

132 warehouse typically handles, stores and retrieves a customer's
133 property using the warehouse's staff and equipment and does not
134 allow the customer free access to the storage space and shall not
135 include accepting specific items of property for storage, such as
136 clothing at a dry cleaning establishment or golf bags at a golf club.

137 (3) (A) "Retail sale" or "sale at retail" means and includes a sale for
138 any purpose other than resale in the regular course of business of
139 tangible personal property or a transfer for a consideration of the
140 occupancy of any room or rooms in a hotel, [or] lodging house or bed
141 and breakfast establishment for a period of thirty consecutive calendar
142 days or less, or the rendering of any service described in subdivision
143 (2) of this subsection. The delivery in this state of tangible personal
144 property by an owner or former owner thereof or by a factor, if the
145 delivery is to a consumer pursuant to a retail sale made by a retailer
146 not engaged in business in this state, is a retail sale in this state by the
147 person making the delivery. Such person shall include the retail selling
148 price of the property in such person's gross receipts.

149 (B) "Retail sale" or "sale at retail" does not include any sale of any
150 tangible personal property, where, no later than one hundred twenty
151 days after the original sale, the original purchaser sells or becomes
152 contractually obligated to sell such property to a retailer who is
153 contractually obligated to lease such property back to such original
154 purchaser in a lease that is taxable under this chapter or the sale of
155 such property by the original purchaser to the retailer who is
156 contractually obligated to lease such property back to such original
157 purchaser in a lease that is taxable under this chapter. If the original
158 purchaser has paid sales or use tax on the original sale of such
159 property to the original purchaser, such original purchaser may (i)
160 claim a refund of such tax under the provisions of section 12-425, upon
161 presentation of proof satisfactory to the commissioner that the mutual
162 contractual obligations described in this subparagraph were
163 undertaken no later than one hundred twenty days after the original
164 sale and that such tax was paid to the original retailer on the original

165 sale and was remitted to the commissioner by such original retailer or
166 by such original purchaser, or (ii) issue at the time of such original sale
167 or no later than one hundred twenty days thereafter a certificate, in the
168 form prescribed by the commissioner, to the original retailer certifying
169 that the mutual contractual obligations described in this subparagraph
170 have been undertaken. If such certificate is issued to the original
171 retailer at the time of the original sale, no tax on the original sale shall
172 be collected by the original retailer from the original purchaser. If the
173 certificate is issued after the time of the original sale but no later than
174 one hundred twenty days thereafter, the original retailer shall refund
175 to the original purchaser the tax collected on the original sale and, if
176 the original retailer has previously remitted the tax to the
177 commissioner, the original retailer may either treat the amount so
178 refunded as a credit against the tax due on the return next filed under
179 this chapter, or claim a refund under section 12-425. If such certificate
180 is issued no later than one hundred twenty days after the time of the
181 original sale but the tangible personal property originally purchased is
182 not, in fact, subsequently leased by the original purchaser, such
183 original purchaser shall be liable for and be required to pay the tax due
184 on the original sale.

185 (4) "Storage" includes any keeping or retention in this state for any
186 purpose except sale in the regular course of business or subsequent use
187 solely outside this state of tangible personal property purchased from
188 a retailer.

189 (5) "Use" includes the exercise of any right or power over tangible
190 personal property incident to the ownership of that property, except
191 that it does not include the sale of that property in the regular course
192 of business.

193 (6) "Storage" and "use" do not include (A) keeping, retaining or
194 exercising any right or power over tangible personal property shipped
195 or brought into this state for the purpose of subsequently transporting
196 it outside the state for use thereafter solely outside the state, or for the

197 purpose of being processed, fabricated or manufactured into, attached
198 to or incorporated into, other tangible personal property to be
199 transported outside the state and thereafter used solely outside the
200 state, or (B) keeping, retaining or exercising any right or power over
201 tangible personal property acquired by the customer of a commercial
202 printer while such property is located at the premises of the
203 commercial printer in this state pursuant to a contract with such
204 printer for printing and distribution of printed material if the
205 commercial printer could have acquired such property without
206 application of tax under this chapter.

207 (7) "Purchase" and "purchasing" means and includes: (A) Any
208 transfer, exchange or barter, conditional or otherwise, in any manner
209 or by any means whatsoever, of tangible personal property or of the
210 occupancy of any room or rooms in a hotel, [or] lodging house or bed
211 and breakfast establishment for a period of thirty consecutive calendar
212 days or less for a consideration; (B) a transaction whereby the
213 possession of property is transferred but the seller retains the title as
214 security for the payment of the price; (C) a transfer for a consideration
215 of tangible personal property which has been produced, fabricated or
216 printed to the special order of the customer, or of any publication; (D)
217 when performed outside this state or when the customer gives a resale
218 certificate pursuant to section 12-410, the producing, fabricating,
219 processing, printing or imprinting of tangible personal property for a
220 consideration for consumers who furnish either directly or indirectly
221 the materials used in the producing, fabricating, processing, printing
222 or imprinting; (E) the acceptance or receipt of any service described in
223 any of the subparagraphs of subdivision (2) of this subsection; (F) any
224 leasing or rental of tangible personal property. Wherever in this
225 chapter reference is made to the purchase or purchasing of tangible
226 personal property, it shall be construed to include purchases as
227 described in this subsection.

228 (8) (A) "Sales price" means the total amount for which tangible
229 personal property is sold by a retailer, the total amount of rent for

230 which occupancy of a room is transferred by an operator, the total
231 amount for which any service described in subdivision (2) of this
232 subsection is rendered by a retailer or the total amount of payment or
233 periodic payments for which tangible personal property is leased by a
234 retailer, valued in money, whether paid in money or otherwise, which
235 amount is due and owing to the retailer or operator and, subject to the
236 provisions of subdivision (1) of section 12-408, as amended by this act,
237 whether or not actually received by the retailer or operator, without
238 any deduction on account of any of the following: (i) The cost of the
239 property sold; (ii) the cost of materials used, labor or service cost,
240 interest charged, losses or any other expenses; (iii) for any sale
241 occurring on or after July 1, 1993, any charges by the retailer to the
242 purchaser for shipping or delivery, notwithstanding whether such
243 charges are separately stated in a written contract, or on a bill or
244 invoice rendered to such purchaser or whether such shipping or
245 delivery is provided by the retailer or a third party. The provisions of
246 subparagraph (A) (iii) of this subdivision shall not apply to any item
247 exempt from taxation pursuant to section 12-412. Such total amount
248 includes any services that are a part of the sale; except as otherwise
249 provided in subparagraph (B)(v) or (B)(vi) of this subdivision, any
250 amount for which credit is given to the purchaser by the retailer, and
251 all compensation and all employment-related expenses, whether or not
252 separately stated, paid to or on behalf of employees of a retailer of any
253 service described in subdivision (2) of this subsection.

254 (B) "Sales price" does not include any of the following: (i) Cash
255 discounts allowed and taken on sales; (ii) any portion of the amount
256 charged for property returned by purchasers, which upon rescission of
257 the contract of sale is refunded either in cash or credit, provided the
258 property is returned within ninety days from the date of purchase; (iii)
259 the amount of any tax, not including any manufacturers' or importers'
260 excise tax, imposed by the United States upon or with respect to retail
261 sales whether imposed upon the retailer or the purchaser; (iv) the
262 amount charged for labor rendered in installing or applying the

263 property sold, provided such charge is separately stated and exclusive
264 of such charge for any service rendered within the purview of
265 subparagraph (I) of subdivision (37) of this subsection; (v) unless the
266 provisions of subdivision (4) of section 12-430 or of section 12-430a are
267 applicable, any amount for which credit is given to the purchaser by
268 the retailer, provided such credit is given solely for property of the
269 same kind accepted in part payment by the retailer and intended by
270 the retailer to be resold; (vi) the full face value of any coupon used by a
271 purchaser to reduce the price paid to a retailer for an item of tangible
272 personal property, whether or not the retailer will be reimbursed for
273 such coupon, in whole or in part, by the manufacturer of the item of
274 tangible personal property or by a third party; (vii) the amount
275 charged for separately stated compensation, fringe benefits, workers'
276 compensation and payroll taxes or assessments paid to or on behalf of
277 employees of a retailer who has contracted to manage a service
278 recipient's property or business premises and renders management
279 services described in subparagraph (I) or (J) of subdivision (37) of this
280 subsection, provided, the employees perform such services solely for
281 the service recipient at its property or business premises and "sales
282 price" shall include the separately stated compensation, fringe benefits,
283 workers' compensation and payroll taxes or assessments paid to or on
284 behalf of any employee of the retailer who is an officer, director or
285 owner of more than five per cent of the outstanding capital stock of the
286 retailer. Determination whether an employee performs services solely
287 for a service recipient at its property or business premises for purposes
288 of this subdivision shall be made by reference to such employee's
289 activities during the time period beginning on the later of the
290 commencement of the management contract, the date of the
291 employee's first employment by the retailer or the date which is six
292 months immediately preceding the date of such determination; (viii)
293 the amount charged for separately stated compensation, fringe
294 benefits, workers' compensation and payroll taxes or assessments paid
295 to or on behalf of (I) a leased employee, or (II) a worksite employee by
296 a professional employer organization pursuant to a professional

297 employer agreement. For purposes of this subparagraph, an employee
298 shall be treated as a leased employee if the employee is provided to the
299 client at the commencement of an agreement with an employee leasing
300 organization under which at least seventy-five per cent of the
301 employees provided to the client at the commencement of such initial
302 agreement qualify as leased employees pursuant to Section 414(n) of
303 the Internal Revenue Code of 1986, or any subsequent corresponding
304 internal revenue code of the United States, as from time to time
305 amended, or the employee is added to the client's workforce by the
306 employee leasing organization subsequent to the commencement of
307 such initial agreement and qualifies as a leased employee pursuant to
308 Section 414(n) of said Internal Revenue Code of 1986 without regard to
309 subparagraph (B) of paragraph (2) thereof. A leased employee, or a
310 worksite employee subject to a professional employer agreement, shall
311 not include any employee who is hired by a temporary help service
312 and assigned to support or supplement the workforce of a temporary
313 help service's client; (ix) any amount received by a retailer from a
314 purchaser as the battery deposit that is required to be paid under
315 subsection (a) of section 22a-245h; the refund value of a beverage
316 container that is required to be paid under subsection (a) of section
317 22a-244; or a deposit that is required by law to be paid by the
318 purchaser to the retailer and that is required by law to be refunded to
319 the purchaser by the retailer when the same or similar tangible
320 personal property is delivered as required by law to the retailer by the
321 purchaser, if such amount is separately stated on the bill or invoice
322 rendered by the retailer to the purchaser; and (x) the amount charged
323 for separately stated compensation, fringe benefits, workers'
324 compensation and payroll taxes or assessments paid to a media payroll
325 services company, as defined in this subsection.

326 (9) (A) "Gross receipts" means the total amount of the sales price
327 from retail sales of tangible personal property by a retailer, the total
328 amount of the rent from transfers of occupancy of rooms by an
329 operator, the total amount of the sales price from retail sales of any

330 service described in subdivision (2) of this subsection by a retailer of
331 services, or the total amount of payment or periodic payments from
332 leases or rentals of tangible personal property by a retailer, valued in
333 money, whether received in money or otherwise, which amount is due
334 and owing to the retailer or operator and, subject to the provisions of
335 subdivision (1) of section 12-408, as amended by this act, whether or
336 not actually received by the retailer or operator, without any deduction
337 on account of any of the following: (i) The cost of the property sold;
338 however, in accordance with such regulations as the Commissioner of
339 Revenue Services may prescribe, a deduction may be taken if the
340 retailer has purchased property for some other purpose than resale,
341 has reimbursed the retailer's vendor for tax which the vendor is
342 required to pay to the state or has paid the use tax with respect to the
343 property, and has resold the property prior to making any use of the
344 property other than retention, demonstration or display while holding
345 it for sale in the regular course of business. If such a deduction is taken
346 by the retailer, no refund or credit will be allowed to the retailer's
347 vendor with respect to the sale of the property; (ii) the cost of the
348 materials used, labor or service cost, interest paid, losses or any other
349 expense; (iii) for any sale occurring on or after July 1, 1993, except for
350 any item exempt from taxation pursuant to section 12-412, any charges
351 by the retailer to the purchaser for shipping or delivery,
352 notwithstanding whether such charges are separately stated in the
353 written contract, or on a bill or invoice rendered to such purchaser or
354 whether such shipping or delivery is provided by the retailer or a third
355 party. The total amount of the sales price includes any services that are
356 a part of the sale; all receipts, cash, credits and property of any kind;
357 except as otherwise provided in subparagraph (B)(v) or (B)(vi) of this
358 subdivision, any amount for which credit is allowed by the retailer to
359 the purchaser; and all compensation and all employment-related
360 expenses, whether or not separately stated, paid to or on behalf of
361 employees of a retailer of any service described in subdivision (2) of
362 this subsection.

363 (B) "Gross receipts" do not include any of the following: (i) Cash
364 discounts allowed and taken on sales; (ii) any portion of the sales price
365 of property returned by purchasers, which upon rescission of the
366 contract of sale is refunded either in cash or credit, provided the
367 property is returned within ninety days from the date of sale; (iii) the
368 amount of any tax, not including any manufacturers' or importers'
369 excise tax, imposed by the United States upon or with respect to retail
370 sales whether imposed upon the retailer or the purchaser; (iv) the
371 amount charged for labor rendered in installing or applying the
372 property sold, provided such charge is separately stated and exclusive
373 of such charge for any service rendered within the purview of
374 subparagraph (I) of subdivision (37) of this subsection; (v) unless the
375 provisions of subdivision (4) of section 12-430 or of section 12-430a are
376 applicable, any amount for which credit is given to the purchaser by
377 the retailer, provided such credit is given solely for property of the
378 same kind accepted in part payment by the retailer and intended by
379 the retailer to be resold; (vi) the full face value of any coupon used by a
380 purchaser to reduce the price paid to the retailer for an item of tangible
381 personal property, whether or not the retailer will be reimbursed for
382 such coupon, in whole or in part, by the manufacturer of the item of
383 tangible personal property or by a third party; (vii) the amount
384 charged for separately stated compensation, fringe benefits, workers'
385 compensation and payroll taxes or assessments paid to or on behalf of
386 employees of a retailer who has contracted to manage a service
387 recipient's property or business premises and renders management
388 services described in subparagraph (I) or (J) of subdivision (37) of this
389 subsection, provided the employees perform such services solely for
390 the service recipient at its property or business premises and "gross
391 receipts" shall include the separately stated compensation, fringe
392 benefits, workers' compensation and payroll taxes or assessments paid
393 to or on behalf of any employee of the retailer who is an officer,
394 director or owner of more than five per cent of the outstanding capital
395 stock of the retailer. Determination whether an employee performs
396 services solely for a service recipient at its property or business

397 premises for purposes of this subdivision shall be made by reference to
398 such employee's activities during the time period beginning on the
399 later of the commencement of the management contract, the date of the
400 employee's first employment by the retailer or the date which is six
401 months immediately preceding the date of such determination; (viii)
402 the amount charged for separately stated compensation, fringe
403 benefits, workers' compensation and payroll taxes or assessments paid
404 to or on behalf of (I) a leased employee, or (II) a worksite employee by
405 a professional employer organization pursuant to a professional
406 employer agreement. For purposes of this subparagraph, an employee
407 shall be treated as a leased employee if the employee is provided to the
408 client at the commencement of an agreement with an employee leasing
409 organization under which at least seventy-five per cent of the
410 employees provided to the client at the commencement of such initial
411 agreement qualify as leased employees pursuant to Section 414(n) of
412 the Internal Revenue Code of 1986, or any subsequent corresponding
413 internal revenue code of the United States, as from time to time
414 amended, or the employee is added to the client's workforce by the
415 employee leasing organization subsequent to the commencement of
416 such initial agreement and qualifies as a leased employee pursuant to
417 Section 414(n) of said Internal Revenue Code of 1986 without regard to
418 subparagraph (B) of paragraph (2) thereof. A leased employee, or a
419 worksite employee subject to a professional employer agreement, shall
420 not include any employee who is hired by a temporary help service
421 and assigned to support or supplement the workforce of a temporary
422 help service's client; (ix) the amount received by a retailer from a
423 purchaser as the battery deposit that is required to be paid under
424 subsection (a) of section 22a-256h; the refund value of a beverage
425 container that is required to be paid under subsection (a) of section
426 22a-244 or a deposit that is required by law to be paid by the purchaser
427 to the retailer and that is required by law to be refunded to the
428 purchaser by the retailer when the same or similar tangible personal
429 property is delivered as required by law to the retailer by the
430 purchaser, if such amount is separately stated on the bill or invoice

431 rendered by the retailer to the purchaser; and (x) the amount charged
432 for separately stated compensation, fringe benefits, workers'
433 compensation and payroll taxes or assessments paid to a media payroll
434 services company, as defined in this subsection.

435 (10) "Business" includes any activity engaged in by any person or
436 caused to be engaged in by any person with the object of gain, benefit
437 or advantage, either direct or indirect.

438 (11) "Seller" includes every person engaged in the business of selling
439 tangible personal property or rendering any service described in any of
440 the subparagraphs of subdivision (2) of this subsection, the gross
441 receipts from the retail sale of which are required to be included in the
442 measure of the sales tax and every operator as defined in subdivision
443 (18) of this subsection.

444 (12) "Retailer" includes: (A) Every person engaged in the business of
445 making sales at retail or in the business of making retail sales at
446 auction of tangible personal property owned by the person or others;
447 (B) every person engaged in the business of making sales for storage,
448 use or other consumption or in the business of making sales at auction
449 of tangible personal property owned by the person or others for
450 storage, use or other consumption; (C) every operator, as defined in
451 subdivision (18) of this subsection; (D) every seller rendering any
452 service described in subdivision (2) of this subsection; (E) every person
453 under whom any salesman, representative, peddler or canvasser
454 operates in this state, or from whom such salesman, representative,
455 peddler or canvasser obtains the tangible personal property that is
456 sold; (F) every person with whose assistance any seller is enabled to
457 solicit orders within this state; (G) every person making retail sales
458 from outside this state to a destination within this state and not
459 maintaining a place of business in this state who engages in regular or
460 systematic solicitation of sales of tangible personal property in this
461 state (i) by the display of advertisements on billboards or other
462 outdoor advertising in this state, (ii) by the distribution of catalogs,

463 periodicals, advertising flyers or other advertising by means of print,
464 radio or television media, or (iii) by mail, telegraphy, telephone,
465 computer data base, cable, optic, microwave or other communication
466 system, for the purpose of effecting retail sales of tangible personal
467 property, provided such person has made one hundred or more retail
468 sales from outside this state to destinations within this state during the
469 twelve-month period ended on the September thirtieth immediately
470 preceding the monthly or quarterly period with respect to which such
471 person's liability for tax under this chapter is determined; (H) any
472 person owned or controlled, either directly or indirectly, by a retailer
473 engaged in business in this state which is the same as or similar to the
474 line of business in which such person so owned or controlled is
475 engaged; (I) any person owned or controlled, either directly or
476 indirectly, by the same interests that own or control, either directly or
477 indirectly, a retailer engaged in business in this state which is the same
478 as or similar to the line of business in which such person so owned or
479 controlled is engaged; (J) any assignee of a person engaged in the
480 business of leasing tangible personal property to others, where leased
481 property of such person which is subject to taxation under this chapter
482 is situated within this state and such assignee has a security interest, as
483 defined in subdivision (35) of subsection (b) of section 42a-1-201, in
484 such property; (K) every person making retail sales of items of tangible
485 personal property from outside this state to a destination within this
486 state and not maintaining a place of business in this state who repairs
487 or services such items, under a warranty, in this state, either directly or
488 indirectly through an agent, independent contractor or subsidiary; and
489 (L) every person making sales of tangible personal property or services
490 through an agreement with another person located in this state under
491 which such person located in this state, for a commission or other
492 consideration that is based upon the sale of tangible personal property
493 or services by the retailer, directly or indirectly refers potential
494 customers, whether by a link on an Internet web site or otherwise, to
495 the retailer, provided the cumulative gross receipts from sales by the
496 retailer to customers in the state who are referred to the retailer by all

497 such persons with this type of an agreement with the retailer, is in
498 excess of two thousand dollars during the preceding four quarterly
499 periods ending on the last day of March, June, September and
500 December.

501 (13) "Tangible personal property" means personal property which
502 may be seen, weighed, measured, felt or touched or which is in any
503 other manner perceptible to the senses including canned or prewritten
504 computer software. Tangible personal property includes the
505 distribution, generation or transmission of electricity.

506 (14) "In this state" or "in the state" means within the exterior limits of
507 the state of Connecticut and includes all territory within these limits
508 owned by or ceded to the United States of America.

509 (15) (A) "Engaged in business in the state" means and includes but
510 shall not be limited to the following acts or methods of transacting
511 business: (i) Selling in this state, or any activity in this state in
512 connection with selling in this state, tangible personal property for use,
513 storage or consumption within the state; (ii) engaging in the transfer
514 for a consideration of the occupancy of any room or rooms in a hotel,
515 [or] lodging house or bed and breakfast establishment for a period of
516 thirty consecutive calendar days or less; (iii) rendering in this state any
517 service described in any of the subparagraphs of subdivision (2) of this
518 subsection; (iv) maintaining, occupying or using, permanently or
519 temporarily, directly or indirectly, through a subsidiary or agent, by
520 whatever name called, any office, place of distribution, sales or sample
521 room or place, warehouse or storage point or other place of business or
522 having any representative, agent, salesman, canvasser or solicitor
523 operating in this state for the purpose of selling, delivering or taking
524 orders; (v) notwithstanding the fact that retail sales are made from
525 outside this state to a destination within this state and that a place of
526 business is not maintained in this state, engaging in regular or
527 systematic solicitation of sales of tangible personal property in this
528 state by the display of advertisements on billboards or other outdoor

529 advertising in this state, by the distribution of catalogs, periodicals,
530 advertising flyers or other advertising by means of print, radio or
531 television media, or by mail, telegraphy, telephone, computer data
532 base, cable, optic, microwave or other communication system, for the
533 purpose of effecting retail sales of tangible personal property,
534 provided one hundred or more retail sales from outside this state to
535 destinations within this state are made during the twelve-month
536 period ended on the September thirtieth immediately preceding the
537 monthly or quarterly period with respect to which liability for tax
538 under this chapter is determined; (vi) being owned or controlled,
539 either directly or indirectly, by a retailer engaged in business in this
540 state which is the same as or similar to the line of business in which the
541 retailer so owned or controlled is engaged; (vii) being owned or
542 controlled, either directly or indirectly, by the same interests that own
543 or control, either directly or indirectly, a retailer engaged in business in
544 this state which is the same as or similar to the line of business in
545 which the retailer so owned or controlled is engaged; (viii) being the
546 assignee of a person engaged in the business of leasing tangible
547 personal property to others, where leased property of such person is
548 situated within this state and such assignee has a security interest, as
549 defined in subdivision (35) of subsection (b) of section 42a-1-201, in
550 such property; (ix) notwithstanding the fact that retail sales of items of
551 tangible personal property are made from outside this state to a
552 destination within this state and that a place of business is not
553 maintained in this state, repairing or servicing such items, under a
554 warranty, in this state, either directly or indirectly through an agent,
555 independent contractor or subsidiary; and (x) selling tangible personal
556 property or services through an agreement with a person located in
557 this state, under which such person located in this state, for a
558 commission or other consideration that is based upon the sale of
559 tangible personal property or services by the retailer, directly or
560 indirectly refers potential customers, whether by a link on an Internet
561 web site or otherwise, to the retailer, provided the cumulative gross
562 receipts from sales by the retailer to customers in the state who are

563 referred to the retailer by all such persons with this type of agreement
564 with the retailer is in excess of two thousand dollars during the four
565 preceding four quarterly periods ending on the last day of March,
566 June, September and December.

567 (B) A retailer who has contracted with a commercial printer for
568 printing and distribution of printed material shall not be deemed to be
569 engaged in business in this state because of the ownership or leasing
570 by the retailer of tangible or intangible personal property located at the
571 premises of the commercial printer in this state, the sale by the retailer
572 of property of any kind produced or processed at and shipped or
573 distributed from the premises of the commercial printer in this state,
574 the activities of the retailer's employees or agents at the premises of the
575 commercial printer in this state, which activities relate to quality
576 control, distribution or printing services performed by the printer, or
577 the activities of any kind performed by the commercial printer in this
578 state for or on behalf of the retailer.

579 (C) A retailer not otherwise a retailer engaged in business in the
580 state who purchases fulfillment services carried on in this state by a
581 person other than an affiliated person, or who owns tangible personal
582 property located on the premises of an unaffiliated person performing
583 fulfillment services for such retailer shall not be deemed to be engaged
584 in business in the state. For purposes of this subparagraph, persons are
585 affiliated persons with respect to each other where one of such persons
586 has an ownership interest of more than five per cent, whether direct or
587 indirect, in the other, or where an ownership interest of more than five
588 per cent, whether direct or indirect, is held in each of such persons by
589 another person or by a group of other persons who are affiliated
590 persons with respect to each other. For purposes of this subparagraph,
591 "fulfillment services" means services that are performed by a person on
592 its premises on behalf of a purchaser of such services and that involve
593 the receipt of orders from the purchaser of such services or an agent
594 thereof, which orders are to be filled by the person from an inventory
595 of products that are offered for sale by the purchaser of such services,

596 and the shipment of such orders to customers of the purchaser of such
597 services.

598 (D) A retailer not otherwise a retailer engaged in business in this
599 state that participates in a trade show or shows at the convention
600 center, as defined in subdivision (3) of section 32-600, shall not be
601 deemed to be engaged in business in this state, regardless of whether
602 the retailer has employees or other staff present at such trade shows,
603 provided the retailer's activity at such trade shows is limited to
604 displaying goods or promoting services, no sales are made, any orders
605 received are sent outside this state for acceptance or rejection and are
606 filled from outside this state, and provided further that such
607 participation is not more than fourteen days, or part thereof, in the
608 aggregate during the retailer's income year for federal income tax
609 purposes.

610 (16) "Hotel" means any building regularly used and kept open as
611 such for the feeding and lodging of guests where any person who
612 conducts himself properly and who is able and ready to pay for such
613 services is received if there are accommodations for such person and
614 which derives the major portion of its operating receipts from the
615 renting of rooms and the sale of food. "Hotel" [shall include] includes
616 any apartment hotel wherein apartments are rented for fixed periods
617 of time, furnished or unfurnished, while the keeper of such hotel
618 supplies food to the occupants thereof, if required, but does not
619 include a bed and breakfast establishment.

620 (17) "Lodging house" means any building or portion of a building,
621 other than a hotel, [or] an apartment hotel or a bed and breakfast
622 establishment, in which persons are lodged for hire with or without
623 meals, including, but not limited to, any motel, motor court, motor inn,
624 tourist court or similar accommodation; provided the terms "hotel",
625 "apartment hotel", [and] "lodging house" and "bed and breakfast
626 establishment" shall not be construed to include: (A) Privately owned
627 and operated convalescent homes, residential care homes, homes for

628 the infirm, indigent or chronically ill; (B) religious or charitable homes
629 for the aged, infirm, indigent or chronically ill; (C) privately owned
630 and operated summer camps for children; (D) summer camps for
631 children operated by religious or charitable organizations; (E) lodging
632 accommodations at educational institutions; or (F) lodging
633 accommodations at any facility operated by and in the name of any
634 nonprofit charitable organization, provided the income from such
635 lodging accommodations at such facility is not subject to federal
636 income tax.

637 (18) "Operator" means any person operating a hotel, [or] lodging
638 house or bed and breakfast establishment in the state, including, but
639 not limited to, the owner or proprietor of such premises, lessee,
640 sublessee, mortgagee in possession, licensee or any other person
641 otherwise operating such hotel, [or] lodging house or bed and
642 breakfast establishment.

643 (19) "Occupancy" means the use or possession, or the right to the
644 use or possession, of any room or rooms in a hotel, [or] lodging house
645 or bed and breakfast establishment, or the right to the use or
646 possession of the furnishings or the services and accommodations
647 accompanying the use and possession of such room or rooms, for the
648 first period of not more than thirty consecutive calendar days.

649 (20) "Room" means any room or rooms of any kind in any part or
650 portion of a hotel, [or] lodging house or bed and breakfast
651 establishment let out for use or possession for lodging purposes.

652 (21) "Rent" means the consideration received for occupancy valued
653 in money, whether received in money or otherwise, including all
654 receipts, cash, credits and property or services of any kind or nature,
655 and also any amount for which credit is allowed by the operator to the
656 occupant, without any deduction therefrom whatsoever.

657 (22) "Certificated air carrier" means a person issued a certificate or
658 certificates by the Federal Aviation Administration pursuant to Title

659 14, Chapter I, Subchapter G, Part 121, 135, 139 or 141 of the Code of
660 Federal Regulations or the Civil Aeronautics Board pursuant to Title
661 14, Chapter II, Subchapter A, Parts 201 to 208, inclusive, and 298 of the
662 Code of Federal Regulations, as such regulations may hereafter be
663 amended or reclassified.

664 (23) "Aircraft" means aircraft, as the term is defined in section 15-34.

665 (24) "Vessel" means vessel, as the term is defined in section 15-127.

666 (25) "Licensed marine dealer" means a marine dealer, as the term is
667 defined in section 15-141, who has been issued a marine dealer's
668 certificate by the Commissioner of Energy and Environmental
669 Protection.

670 (26) (A) "Telecommunications service" means the electronic
671 transmission, conveyance or routing of voice, image, data, audio, video
672 or any other information or signals to a point or between or among
673 points. "Telecommunications service" includes such transmission,
674 conveyance or routing in which computer processing applications are
675 used to act on the form, code or protocol of the content for purposes of
676 transmission, conveyance or routing without regard to whether such
677 service is referred to as a voice over Internet protocol service or is
678 classified by the Federal Communications Commission as enhanced or
679 value added. "Telecommunications service" does not include (i) value-
680 added nonvoice data services, (ii) radio and television audio and video
681 programming services, regardless of the medium, including the
682 furnishing of transmission, conveyance or routing of such services by
683 the programming service provider. Radio and television audio and
684 video programming services shall include, but not be limited to, cable
685 service as defined in 47 USC 522(6), audio and video programming
686 services delivered by commercial mobile radio service providers, as
687 defined in 47 CFR 20, and video programming service by certified
688 competitive video service providers, (iii) any telecommunications
689 service (I) rendered by a company in control of such service when

690 rendered for private use within its organization, or (II) used, allocated
691 or distributed by a company within its organization, including in such
692 organization affiliates, as defined in section 33-840, for the purpose of
693 conducting business transactions of the organization if such service is
694 purchased or leased from a company rendering telecommunications
695 service and such purchase or lease is subject to tax under this chapter,
696 (iv) access or interconnection service purchased by a provider of
697 telecommunications service from another provider of such service for
698 purposes of rendering such service, provided the purchaser submits to
699 the seller a certificate attesting to the applicability of this exclusion,
700 upon receipt of which the seller is relieved of any tax liability for such
701 sale so long as the certificate is taken in good faith by the seller, (v)
702 data processing and information services that allow data to be
703 generated, acquired, stored, processed or retrieved and delivered by
704 an electronic transmission to a purchaser where such purchaser's
705 primary purpose for the underlying transaction is the processed data
706 or information, (vi) installation or maintenance of wiring equipment
707 on a customer's premises, (vii) tangible personal property, (viii)
708 advertising, including, but not limited to, directory advertising, (ix)
709 billing and collection services provided to third parties, (x) Internet
710 access service, (xi) ancillary services, and (xii) digital products
711 delivered electronically, including, but not limited to, software, music,
712 video, reading materials or ring tones.

713 (B) For purposes of the tax imposed under this chapter (i) gross
714 receipts from the rendering of telecommunications service shall
715 include any subscriber line charge or charges as required by the
716 Federal Communications Commission and any charges for access
717 service collected by any person rendering such service unless
718 otherwise excluded from such gross receipts under this chapter, and
719 such gross receipts from the rendering of telecommunications service
720 shall also include any charges for vertical service, for the installation or
721 maintenance of wiring equipment on a customer's premises, and for
722 directory assistance service; (ii) gross receipts from the rendering of

723 telecommunications service shall not include any local charge for calls
724 from public or semipublic telephones; and (iii) gross receipts from the
725 rendering of telecommunications service shall not include any charge
726 for calls purchased using a prepaid telephone calling service, as
727 defined in subdivision (34) of this subsection.

728 (27) "Community antenna television service" means (A) the one-way
729 transmission to subscribers of video programming or information by
730 cable, fiber optics, satellite, microwave or any other means, and
731 subscriber interaction, if any, which is required for the selection of
732 such video programming or information, and (B) noncable
733 communications service, as defined in section 16-1, unless such
734 noncable communications service is purchased by a cable network as
735 that term is used in subsection (k) of section 12-218.

736 (28) "Hospital" means a hospital included within the definition of
737 health care facilities or institutions under section 19a-630 and licensed
738 as a short-term general hospital by the Department of Public Health,
739 but does not include (A) any hospital which, on January 30, 1997, is
740 within the class of hospitals licensed by the department as children's
741 general hospitals, or (B) a short-term acute hospital operated
742 exclusively by the state other than a short-term acute hospital operated
743 by the state as a receiver pursuant to chapter 920.

744 (29) "Patient care services" means therapeutic and diagnostic
745 medical services provided by the hospital to inpatients and outpatients
746 including tangible personal property transferred in connection with
747 such services.

748 (30) "Another state" or "other state" means any state of the United
749 States or the District of Columbia excluding the state of Connecticut.

750 (31) "Professional employer agreement" means a written contract
751 between a professional employer organization and a service recipient
752 whereby the professional employer organization agrees to provide at
753 least seventy-five per cent of the employees at the service recipient's

754 worksite, which contract provides that such worksite employees are
755 intended to be permanent employees rather than temporary
756 employees, and employer responsibilities for such worksite
757 employees, including hiring, firing and disciplining, are allocated
758 between the professional employer organization and the service
759 recipient.

760 (32) "Professional employer organization" means any person that
761 enters into a professional employer agreement with a service recipient
762 whereby the professional employer organization agrees to provide at
763 least seventy-five per cent of the employees at the service recipient's
764 worksite.

765 (33) "Worksite employee" means an employee, the employer
766 responsibilities for which, including hiring, firing and disciplining, are
767 allocated, under a professional employer agreement, between a
768 professional employer organization and a service recipient.

769 (34) "Prepaid telephone calling service" means the right to
770 exclusively purchase telecommunications service, that must be paid for
771 in advance and that enables the origination of calls using an access
772 number or authorization code, or both, whether manually or
773 electronically dialed, provided the remaining amount of units of
774 service that have been prepaid shall be known on a continuous basis.

775 (35) "Canned or prewritten software" means all software, other than
776 custom software, that is held or existing for general or repeated sale,
777 license or lease. Software initially developed as custom software for in-
778 house use and subsequently sold, licensed or leased to unrelated third
779 parties shall be considered canned or prewritten software.

780 (36) "Custom software" means a computer program prepared to the
781 special order of a single customer.

782 (37) "Services" for purposes of subdivision (2) of this subsection,
783 means:

784 (A) Computer and data processing services, including, but not
785 limited to, time, programming, code writing, modification of existing
786 programs, feasibility studies and installation and implementation of
787 software programs and systems even where such services are rendered
788 in connection with the development, creation or production of canned
789 or custom software or the license of custom software;

790 (B) Credit information and reporting services;

791 (C) Services by employment agencies and agencies providing
792 personnel services;

793 (D) Private investigation, protection, patrol work, watchman and
794 armored car services, exclusive of (i) services of off-duty police officers
795 and off-duty firefighters, and (ii) coin and currency services provided
796 to a financial services company by or through another financial
797 services company. For purposes of this subparagraph, "financial
798 services company" has the same meaning as provided under
799 subparagraphs (A) to (H), inclusive, of subdivision (6) of subsection (a)
800 of section 12-218b;

801 (E) Painting and lettering services;

802 (F) Photographic studio services;

803 (G) Telephone answering services;

804 (H) Stenographic services;

805 (I) Services to industrial, commercial or income-producing real
806 property, including, but not limited to, such services as management,
807 electrical, plumbing, painting and carpentry, provided
808 income-producing property shall not include property used
809 exclusively for residential purposes in which the owner resides and
810 which contains no more than three dwelling units, or a housing facility
811 for low and moderate income families and persons owned or operated
812 by a nonprofit housing organization, as defined in subdivision (29) of

813 section 12-412;

814 (J) Business analysis, management, management consulting and
815 public relations services, excluding (i) any environmental consulting
816 services, (ii) any training services provided by an institution of higher
817 education licensed or accredited by the Board of Regents for Higher
818 Education or Office of Higher Education pursuant to sections 10a-35a
819 and 10a-34, respectively, and (iii) on and after January 1, 1994, any
820 business analysis, management, management consulting and public
821 relations services when such services are rendered in connection with
822 an aircraft leased or owned by a certificated air carrier or in connection
823 with an aircraft which has a maximum certificated take-off weight of
824 six thousand pounds or more;

825 (K) Services providing "piped-in" music to business or professional
826 establishments;

827 (L) Flight instruction and chartering services by a certificated air
828 carrier on an aircraft, the use of which for such purposes, but for the
829 provisions of subdivision (4) of section 12-410 and subdivision (12) of
830 section 12-411, would be deemed a retail sale and a taxable storage or
831 use, respectively, of such aircraft by such carrier;

832 (M) Motor vehicle repair services, including any type of repair,
833 painting or replacement related to the body or any of the operating
834 parts of a motor vehicle;

835 (N) Motor vehicle parking, including the provision of space, other
836 than metered space, in a lot having thirty or more spaces, excluding (i)
837 space in a parking lot owned or leased under the terms of a lease of not
838 less than ten years' duration and operated by an employer for the
839 exclusive use of its employees, (ii) space in municipally operated
840 railroad parking facilities in municipalities located within an area of
841 the state designated as a severe nonattainment area for ozone under
842 the federal Clean Air Act or space in a railroad parking facility in a
843 municipality located within an area of the state designated as a severe

844 nonattainment area for ozone under the federal Clean Air Act owned
845 or operated by the state on or after April 1, 2000, (iii) space in a
846 seasonal parking lot provided by an entity subject to the exemption set
847 forth in subdivision (1) of section 12-412, and (iv) space in a
848 municipally owned parking lot;

849 (O) Radio or television repair services;

850 (P) Furniture reupholstering and repair services;

851 (Q) Repair services to any electrical or electronic device, including,
852 but not limited to, equipment used for purposes of refrigeration or
853 air-conditioning;

854 (R) Lobbying or consulting services for purposes of representing the
855 interests of a client in relation to the functions of any governmental
856 entity or instrumentality;

857 (S) Services of the agent of any person in relation to the sale of any
858 item of tangible personal property for such person, exclusive of the
859 services of a consignee selling works of art, as defined in subsection (b)
860 of section 12-376c, or articles of clothing or footwear intended to be
861 worn on or about the human body other than (i) any special clothing
862 or footwear primarily designed for athletic activity or protective use
863 and which is not normally worn except when used for the athletic
864 activity or protective use for which it was designed, and (ii) jewelry,
865 handbags, luggage, umbrellas, wallets, watches and similar items
866 carried on or about the human body but not worn on the body, under
867 consignment, exclusive of services provided by an auctioneer;

868 (T) Locksmith services;

869 (U) Advertising or public relations services, including layout, art
870 direction, graphic design, mechanical preparation or production
871 supervision, not related to the development of media advertising or
872 cooperative direct mail advertising;

873 (V) Landscaping and horticulture services;

874 (W) Window cleaning services;

875 (X) Maintenance services;

876 (Y) Janitorial services;

877 (Z) Exterminating services;

878 (AA) Swimming pool cleaning and maintenance services;

879 (BB) Miscellaneous personal services included in industry group 729
880 in the Standard Industrial Classification Manual, United States Office
881 of Management and Budget, 1987 edition, or U.S. industry 532220,
882 812191, 812199 or 812990 in the North American Industrial
883 Classification System United States Manual, United States Office of
884 Management and Budget, 1997 edition, exclusive of (i) services
885 rendered by massage therapists licensed pursuant to chapter 384a, and
886 (ii) services rendered by an electrologist licensed pursuant to chapter
887 388;

888 (CC) Any repair or maintenance service to any item of tangible
889 personal property including any contract of warranty or service related
890 to any such item;

891 (DD) Business analysis, management or managing consulting
892 services rendered by a general partner, or an affiliate thereof, to a
893 limited partnership, provided (i) the general partner, or an affiliate
894 thereof, is compensated for the rendition of such services other than
895 through a distributive share of partnership profits or an annual
896 percentage of partnership capital or assets established in the limited
897 partnership's offering statement, and (ii) the general partner, or an
898 affiliate thereof, offers such services to others, including any other
899 partnership. As used in this subparagraph "an affiliate of a general
900 partner" means an entity which is directly or indirectly owned fifty per
901 cent or more in common with a general partner;

902 (EE) Notwithstanding the provisions of section 12-412, except
903 subdivision (87) of said section 12-412, patient care services, as defined
904 in subdivision (29) of this subsection by a hospital, except that "sale"
905 and "selling" does not include such patient care services for which
906 payment is received by the hospital during the period commencing
907 July 1, 2001, and ending June 30, 2003;

908 (FF) Health and athletic club services, exclusive of (i) any such
909 services provided without any additional charge which are included in
910 any dues or initiation fees paid to any such club, which dues or fees
911 are subject to tax under section 12-543, and (ii) any such services
912 provided by a municipality or an organization that is described in
913 Section 501(c) of the Internal Revenue Code of 1986, or any subsequent
914 corresponding internal revenue code of the United States, as from time
915 to time amended;

916 (GG) Motor vehicle storage services, including storage of motor
917 homes, campers and camp trailers, other than the furnishing of space
918 as described in subparagraph (P) of subdivision (2) of this subsection;

919 (HH) Packing and crating services, other than those provided in
920 connection with the sale of tangible personal property by the retailer of
921 such property;

922 (II) Motor vehicle towing and road services, other than motor
923 vehicle repair services;

924 (JJ) Intrastate transportation services provided by livery services,
925 including limousines, community cars or vans, with a driver. Intrastate
926 transportation services shall not include transportation by taxicab,
927 motor bus, ambulance or ambulette, scheduled public transportation,
928 nonemergency medical transportation provided under the Medicaid
929 program, paratransit services provided by agreement or arrangement
930 with the state or any political subdivision of the state, dial-a-ride
931 services or services provided in connection with funerals;

932 (KK) Pet grooming and pet boarding services, except if such services
933 are provided as an integral part of professional veterinary services,
934 and pet obedience services;

935 (LL) Services in connection with a cosmetic medical procedure. For
936 purposes of this subparagraph, "cosmetic medical procedure" means
937 any medical procedure performed on an individual that is directed at
938 improving the individual's appearance and that does not meaningfully
939 promote the proper function of the body or prevent or treat illness or
940 disease. "Cosmetic medical procedure" includes, but is not limited to,
941 cosmetic surgery, hair transplants, cosmetic injections, cosmetic soft
942 tissue fillers, dermabrasion and chemical peel, laser hair removal, laser
943 skin resurfacing, laser treatment of leg veins and sclerotherapy.
944 "Cosmetic medical procedure" does not include reconstructive surgery.
945 "Reconstructive surgery" includes any surgery performed on abnormal
946 structures caused by or related to congenital defects, developmental
947 abnormalities, trauma, infection, tumors or disease, including
948 procedures to improve function or give a more normal appearance;

949 (MM) Manicure services, pedicure services and all other nail
950 services, regardless of where performed, including airbrushing, fills,
951 full sets, nail sculpting, paraffin treatments and polishes;

952 (NN) Spa services, regardless of where performed, including body
953 waxing and wraps, peels, scrubs and facials; and

954 (OO) Car wash services, including coin-operated car washes.

955 (38) "Media payroll services company" means a retailer whose
956 principal business activity is the management and payment of
957 compensation, fringe benefits, workers' compensation, payroll taxes or
958 assessments to individuals providing services to an eligible production
959 company pursuant to section 12-217jj.

960 (39) "Certified competitive video service" means video
961 programming service provided through wireline facilities, a portion of

962 which are located in the public right-of-way, without regard to
963 delivery technology, including Internet protocol technology. "Certified
964 competitive video service" does not include any video programming
965 provided by a commercial mobile service provider, as defined in 47
966 USC 332(d); any video programming provided as part of community
967 antenna television service; any video programming provided as part
968 of, and via, a service that enables users to access content, information,
969 electronic mail or other services over the Internet.

970 (40) "Directory assistance" means an ancillary service of providing
971 telephone number information or address information.

972 (41) "Vertical service" means an ancillary service that is offered in
973 connection with one or more telecommunications services, offering
974 advanced calling features that allow customers to identify callers and
975 to manage multiple calls and call connections, including conference
976 bridging services.

977 (42) "Bed and breakfast establishment" means a private operator-
978 occupied house where persons are lodged for hire and a breakfast is
979 included in the rent.

980 (b) Wherever in this chapter reference is made to the sale of tangible
981 personal property or services, it shall be construed to include sales
982 described in subdivision (2) of subsection (a) of this section, except as
983 may be specifically provided to the contrary.

984 Sec. 4. Section 12-408 of the general statutes is amended by adding
985 subdivision (8) as follows (*Effective July 1, 2017*):

986 (NEW) (8) Ten per cent of the amounts received by the state from
987 the tax imposed under subparagraph (B)(i) of subdivision (1) of this
988 section shall be deposited in the culture and tourism account
989 established under section 10-395, to be used by the Department of
990 Economic and Community Development to promote and develop
991 tourism in the state.

992 Sec. 5. Section 12-411 of the general statutes is amended by adding
993 subdivision (16) as follows (*Effective July 1, 2017*):

994 (NEW) (16) Ten per cent of the amounts received by the state from
995 the tax imposed under subparagraph (B)(i) of subdivision (1) of this
996 section shall be deposited in the culture and tourism account
997 established under section 10-395, to be used by the Department of
998 Economic and Community Development to promote and develop
999 tourism in the state.

1000 Sec. 6. (NEW) (*Effective July 1, 2017*) (a) For each new registration or
1001 renewal of registration of a passenger motor vehicle with the
1002 Commissioner of Motor Vehicles pursuant to subsection (a) of section
1003 14-49 of the general statutes, the individual registering such vehicle
1004 shall pay to the commissioner a fee of five dollars for registration for a
1005 biennial period and five dollars for registration for an annual period.
1006 The provisions of this section shall not apply with respect to any motor
1007 vehicle that is not self-propelled, that is electrically powered or that is
1008 exempted from payment of a registration fee. Payments collected
1009 pursuant to this section shall be used by the Department of Energy and
1010 Environmental Protection for the care and maintenance of state parks
1011 and state campgrounds, to support the duties and activities of the
1012 Council on Environmental Quality established pursuant to section 22a-
1013 11 of the general statutes and to support said department's fish
1014 hatcheries and pheasant stocking program. The fee required by this
1015 section is in addition to any other fees prescribed by any provision of
1016 chapter 14 of the general statutes for the registration of a motor
1017 vehicle.

1018 (b) (1) Any individual who is sixty-five years of age or older on or
1019 after July 1, 2017, may, at the discretion of such individual, pay the fee
1020 for either a one-year or two-year period.

1021 (2) Any resident of the state who (A) (i) is sixty-five years of age or
1022 older, or (ii) is a disabled veteran, as defined in section 14-254 of the

1023 general statutes, or under federal law, and (B) has been issued a
1024 nontransferable lifetime pass by the Commissioner of Energy and
1025 Environmental Protection under section 23-26 of the general statutes,
1026 as amended by this act, shall be exempt from the fee required by this
1027 section.

1028 Sec. 7. Section 23-26 of the general statutes is repealed and the
1029 following is substituted in lieu thereof (*Effective July 1, 2017*):

1030 (a) The commissioner may (1) provide for the collection of fees for
1031 parking, admission, boat launching and other uses of state parks,
1032 forests, boat launches and other state recreational facilities, except that
1033 no fee shall be charged, on or after July 1, 2017, for parking at state
1034 parks for individuals who have paid the fee under subsection (a) of
1035 section 6 of this act, (2) establish from time to time the daily and
1036 seasonal amount thereof, (3) enter into contractual relations with other
1037 persons for the operation of concessions, (4) establish other sources of
1038 revenue to be derived from services to the general public using such
1039 parks, forests and facilities, (5) employ such assistants as may be
1040 necessary for the collection of such revenue. The commissioner shall
1041 deposit such revenue derived therefrom with the State Treasurer in the
1042 General Fund. On and after July 1, 1992, any increase in any fee or any
1043 establishment of a new fee under this section shall be by regulations
1044 adopted in accordance with the provisions of chapter 54. Not later than
1045 May 1, 2010, said commissioner shall establish the daily and seasonal
1046 amount of such parking, admission, boat launching and other use fees
1047 for residents of this state in amounts not greater than one hundred
1048 thirty-five per cent of the amounts charged for such fees by said
1049 commissioner as of April 1, 2009. Not later than May 1, 2010, said
1050 commissioner shall establish the daily and seasonal amount of such
1051 parking, admission, boat launching and other use fees for nonresidents
1052 of this state in amounts not greater than one hundred fifty per cent of
1053 the amounts charged for such fees by said commissioner as of April 1,
1054 2009. Notwithstanding the provisions of this section, the commissioner
1055 may enter into an agreement with any municipality under which the

1056 municipality may retain fees collected by municipal officers at state
1057 boat launches when state employees are not on duty.

1058 (b) Notwithstanding the provisions of subsection (a) of this section,
1059 the commissioner may establish fees for the public use of the mansion
1060 at Harkness Memorial State Park in Waterford, the Ellie Mitchell
1061 Pavilion at Rocky Neck State Park in East Lyme and Gillette Castle in
1062 East Haddam provided no fee shall be charged to any group organized
1063 as a nonprofit corporation under 26 USC 501(c)(3) for purposes of
1064 providing support to such parks or facilities and further provided the
1065 commissioner shall specify procedures and criteria for the selection of
1066 any private business which is engaged by the state to provide services
1067 during any such public use, including, but not limited to, catering
1068 services. Such fees, procedures and criteria shall be effective until June
1069 30, 1999, or until regulations are adopted, whichever is sooner.
1070 Regulations implementing such fees, procedures and criteria shall be
1071 adopted in accordance with the provisions of chapter 54 on or before
1072 July 1, 1999. Such fees shall be comparable with rents and charges of
1073 similar properties based on fair market rates.

1074 (c) The commissioner shall issue to any resident of the state, upon
1075 payment of a fee established by said commissioner, a nontransferable
1076 Connecticut private passenger motor vehicle pass which permits free
1077 parking throughout the calendar year at any state park, forest, boat
1078 launch or other state recreational facility, provided the commissioner
1079 shall not be required to issue such a pass to any park, forest or facility
1080 which is wholly managed by a private concessionaire and may require
1081 payment of fees for special events. Not later than May 1, 2010, said
1082 commissioner shall establish the amount of such fee for residents of
1083 this state in an amount not greater than one hundred thirty-five per
1084 cent of the amount charged for such fee by said commissioner as of
1085 April 1, 2009. Not later than May 1, 2010, said commissioner shall
1086 establish the amount of such fee for nonresidents of this state in an
1087 amount not greater than one hundred fifty per cent of the amount
1088 charged for such fee by said commissioner as of April 1, 2009.

1089 (d) The commissioner shall issue to any resident of the state who is
1090 sixty-five years of age or older and to any resident of this state who is a
1091 disabled veteran, as defined in section 14-254, or under federal law,
1092 without fee, upon application of such resident, a nontransferable
1093 lifetime pass which shall permit free parking, admission and boat
1094 access parking for use at any state park, forest or state recreational
1095 facility, provided the commissioner shall not be required to issue such
1096 a pass for use of any park, forest or facility which is wholly managed
1097 by a private concessionaire and may require payment of fees for
1098 special events.

1099 Sec. 8. (NEW) (*Effective July 1, 2017*) There is established an account
1100 to be known as the "mental health community investment account"
1101 which shall be a separate, nonlapsing account within the General
1102 Fund. The account shall contain any moneys required by law to be
1103 deposited in the account. Moneys in the account shall be expended by
1104 the Commissioner of Mental Health and Addiction Services, in
1105 consultation with nonprofit mental health organizations, for the
1106 purposes of improving services and programs in the state, including,
1107 but not limited to, residential services, job training and placement
1108 services, educational programs and support groups, designed to
1109 support individuals diagnosed with mental health conditions.

1110 Sec. 9. Section 12-743 of the general statutes is repealed and the
1111 following is substituted in lieu thereof (*Effective July 1, 2017*):

1112 (a) Any taxpayer filing a return under this chapter may contribute
1113 any part of a refund under this chapter to (1) the organ transplant
1114 account established pursuant to section 17b-288, (2) the AIDS research
1115 education account established pursuant to section 19a-32a, (3) the
1116 endangered species, natural area preserves and watchable wildlife
1117 account established pursuant to section 22a-27l, (4) the breast cancer
1118 research and education account established pursuant to section 19a-
1119 32b, (5) the safety net services account established pursuant to section
1120 17b-112f, [or] (6) an individual savings plan established under the

1121 Connecticut Higher Education Trust established pursuant to sections
1122 3-22f to 3-22p, inclusive, or to the CHET Baby Scholars fund
1123 established pursuant to section 3-22u, or (7) the mental health
1124 community investment account established pursuant to section 8 of
1125 this act. Such contribution shall be made by indicating on the tax
1126 return, in a manner provided for by the Commissioner of Revenue
1127 Services pursuant to subsection (b) of this section, the amount to be
1128 contributed to the account.

1129 (b) (1) The Commissioner of Revenue Services shall revise the tax
1130 return form to implement the provisions of subsection (a) of this
1131 section, which form shall include spaces on the return in which
1132 taxpayers may indicate their intention to make a contribution, in a
1133 whole dollar amount, in accordance with this section. The
1134 commissioner shall include in the instructions accompanying the tax
1135 return a description of the purposes for which the [organ transplant
1136 account, the AIDS research education account, the endangered species,
1137 natural area preserves and watchable wildlife account, the breast
1138 cancer research and education account, the safety net services account
1139 and the Connecticut Higher Education Trust] accounts and funds set
1140 forth in subsection (a) of this section were created.

1141 (2) For purposes of facilitating the registration of a taxpayer as an
1142 organ donor, the commissioner shall include information in the
1143 instructions accompanying the tax return that (A) indicates the manner
1144 by which a taxpayer may contact an organ donor registry organization,
1145 or (B) provides electronic links to appropriate organ donor registry
1146 organizations for such purpose.

1147 (3) For purposes of facilitating the participation of a taxpayer in the
1148 Connecticut Higher Education Trust and the CHET Baby Scholars
1149 fund, the commissioner shall include spaces on the return, as provided
1150 in subdivision (1) of this subsection as follows: (A) There shall be a
1151 space indicating a taxpayer's intention to contribute any part of a
1152 refund to someone known to the taxpayer who is a designated

1153 beneficiary, as defined in section 3-22f, including a space for the
1154 taxpayer to provide the name and Social Security number of such
1155 designated beneficiary; and (B) there shall be a space indicating a
1156 taxpayer's intention to contribute any part of a refund to the CHET
1157 Baby Scholars fund, including a description of such fund and a
1158 statement that such contribution shall not benefit a specific child. The
1159 commissioner shall include information in the instructions
1160 accompanying the tax return that indicates the manner by which the
1161 taxpayer may contact the administrator of the Connecticut Higher
1162 Education Trust and the CHET Baby Scholars fund, or provides
1163 electronic links to such administrator for such purpose.

1164 (c) A designated contribution of all or part of any refund shall be
1165 irrevocable upon the filing of the return and shall be made in the full
1166 amount designated if the refund found due the taxpayer upon the
1167 initial processing of the return, and after any deductions required by
1168 this chapter, is greater than or equal to the designated contribution. If
1169 the refund due, as determined upon initial processing, and after any
1170 deductions required by this chapter, is less than the designated
1171 contribution, the contribution shall be made in the full amount of the
1172 refund. The Commissioner of Revenue Services shall subtract the
1173 amount of any contribution of all or part of any refund from the
1174 amount of the refund initially found due the taxpayer and shall certify
1175 the difference to the Secretary of the Office of Policy and Management
1176 and the Treasurer for payment to the taxpayer in accordance with this
1177 chapter. For the purposes of any subsequent determination of the
1178 taxpayer's net tax payment, such contribution shall be considered a
1179 part of the refund paid to the taxpayer.

1180 (d) Except for any funds collected for purposes of subdivision (6) of
1181 subsection (a) of this section, the Commissioner of Revenue Services,
1182 after notification of and approval by the Secretary of the Office of
1183 Policy and Management, may deduct and retain from the remaining
1184 funds so collected an amount equal to the costs of implementing this
1185 section and sections 17b-288, 19a-32a, 22a-27l, 19a-32b and 17b-112f but

1186 not to exceed seven and one-half per cent of the funds contributed in
 1187 any fiscal year and in no event shall exceed the total cost of
 1188 implementation of said sections.

1189 Sec. 10. Section 12-700 of the general statutes is repealed and the
 1190 following is substituted in lieu thereof (*Effective July 1, 2017, and*
 1191 *applicable to income years commencing on or after January 1, 2017*):

1192 (a) There is hereby imposed on the Connecticut taxable income of
 1193 each resident of this state a tax:

1194 (1) At the rate of four and one-half per cent of such Connecticut
 1195 taxable income for taxable years commencing on or after January 1,
 1196 1992, and prior to January 1, 1996.

1197 (2) For taxable years commencing on or after January 1, 1996, but
 1198 prior to January 1, 1997, in accordance with the following schedule:

1199 (A) For any person who files a return under the federal income tax
 1200 for such taxable year as an unmarried individual or as a married
 1201 individual filing separately:

T1	Connecticut Taxable Income	Rate of Tax
T2	Not over \$2,250	3.0%
T3	Over \$2,250	\$67.50, plus 4.5% of the
T4		excess over \$2,250

1202 (B) For any person who files a return under the federal income tax
 1203 for such taxable year as a head of household, as defined in Section 2(b)
 1204 of the Internal Revenue Code:

T5	Connecticut Taxable Income	Rate of Tax
T6	Not over \$3,500	3.0%
T7	Over \$3,500	\$105.00, plus 4.5% of the
T8		excess over \$3,500

1205 (C) For any husband and wife who file a return under the federal
 1206 income tax for such taxable year as married individuals filing jointly or
 1207 a person who files a return under the federal income tax as a surviving
 1208 spouse, as defined in Section 2(a) of the Internal Revenue Code:

T9	Connecticut Taxable Income	Rate of Tax
T10	Not over \$4,500	3.0%
T11	Over \$4,500	\$135.00, plus 4.5% of the
T12		excess over \$4,500

1209 (D) For trusts or estates, the rate of tax shall be 4.5% of their
 1210 Connecticut taxable income.

1211 (3) For taxable years commencing on or after January 1, 1997, but
 1212 prior to January 1, 1998, in accordance with the following schedule:

1213 (A) For any person who files a return under the federal income tax
 1214 for such taxable year as an unmarried individual or as a married
 1215 individual filing separately:

T13	Connecticut Taxable Income	Rate of Tax
T14	Not over \$6,250	3.0%
T15	Over \$6,250	\$187.50, plus 4.5% of the
T16		excess over \$6,250

1216 (B) For any person who files a return under the federal income tax
 1217 for such taxable year as a head of household, as defined in Section 2(b)
 1218 of the Internal Revenue Code:

T17	Connecticut Taxable Income	Rate of Tax
T18	Not over \$10,000	3.0%

T19	Over \$10,000	\$300.00, plus 4.5% of the
T20		excess over \$10,000

1219 (C) For any husband and wife who file a return under the federal
 1220 income tax for such taxable year as married individuals filing jointly or
 1221 any person who files a return under the federal income tax for such
 1222 taxable year as a surviving spouse, as defined in Section 2(a) of the
 1223 Internal Revenue Code:

T21	Connecticut Taxable Income	Rate of Tax
T22	Not over \$12,500	3.0%
T23	Over \$12,500	\$375.00, plus 4.5% of the
T24		excess over \$12,500

1224 (D) For trusts or estates, the rate of tax shall be 4.5% of their
 1225 Connecticut taxable income.

1226 (4) For taxable years commencing on or after January 1, 1998, but
 1227 prior to January 1, 1999, in accordance with the following schedule:

1228 (A) For any person who files a return under the federal income tax
 1229 for such taxable year as an unmarried individual or as a married
 1230 individual filing separately:

T25	Connecticut Taxable Income	Rate of Tax
T26	Not over \$7,500	3.0%
T27	Over \$7,500	\$225.00, plus 4.5% of the
T28		excess over \$7,500

1231 (B) For any person who files a return under the federal income tax
 1232 for such taxable year as a head of household, as defined in Section 2(b)
 1233 of the Internal Revenue Code:

T29	Connecticut Taxable Income	Rate of Tax
T30	Not over \$12,000	3.0%
T31	Over \$12,000	\$360.00, plus 4.5% of the
T32		excess over \$12,000

1234 (C) For any husband and wife who file a return under the federal
1235 income tax for such taxable year as married individuals filing jointly or
1236 any person who files a return under the federal income tax for such
1237 taxable year as a surviving spouse, as defined in Section 2(a) of the
1238 Internal Revenue Code:

T33	Connecticut Taxable Income	Rate of Tax
T34	Not over \$15,000	3.0%
T35	Over \$15,000	\$450.00, plus 4.5% of the
T36		excess over \$15,000

1239 (D) For trusts or estates, the rate of tax shall be 4.5% of their
1240 Connecticut taxable income.

1241 (5) For taxable years commencing on or after January 1, 1999, but
1242 prior to January 1, 2003, in accordance with the following schedule:

1243 (A) For any person who files a return under the federal income tax
1244 for such taxable year as an unmarried individual or as a married
1245 individual filing separately:

T37	Connecticut Taxable Income	Rate of Tax
T38	Not over \$10,000	3.0%
T39	Over \$10,000	\$300.00, plus 4.5% of the
T40		excess over \$10,000

1246 (B) For any person who files a return under the federal income tax

1247 for such taxable year as a head of household, as defined in Section 2(b)
1248 of the Internal Revenue Code:

T41	Connecticut Taxable Income	Rate of Tax
T42	Not over \$16,000	3.0%
T43	Over \$16,000	\$480.00, plus 4.5% of the
T44		excess over \$16,000

1249 (C) For any husband and wife who file a return under the federal
1250 income tax for such taxable year as married individuals filing jointly or
1251 any person who files a return under the federal income tax for such
1252 taxable year as a surviving spouse, as defined in Section 2(a) of the
1253 Internal Revenue Code:

T45	Connecticut Taxable Income	Rate of Tax
T46	Not over \$20,000	3.0%
T47	Over \$20,000	\$600.00, plus 4.5% of the
T48		excess over \$20,000

1254 (D) For trusts or estates, the rate of tax shall be 4.5% of their
1255 Connecticut taxable income.

1256 (6) For taxable years commencing on or after January 1, 2003, but
1257 prior to January 1, 2009, in accordance with the following schedule:

1258 (A) For any person who files a return under the federal income tax
1259 for such taxable year as an unmarried individual or as a married
1260 individual filing separately:

T49	Connecticut Taxable Income	Rate of Tax
T50	Not over \$10,000	3.0%
T51	Over \$10,000	\$300.00, plus 5.0% of the
T52		excess over \$10,000

1261 (B) For any person who files a return under the federal income tax
 1262 for such taxable year as a head of household, as defined in Section 2(b)
 1263 of the Internal Revenue Code:

T53	Connecticut Taxable Income	Rate of Tax
T54	Not over \$16,000	3.0%
T55	Over \$16,000	\$480.00, plus 5.0% of the
T56		excess over \$16,000

1264 (C) For any husband and wife who file a return under the federal
 1265 income tax for such taxable year as married individuals filing jointly or
 1266 any person who files a return under the federal income tax for such
 1267 taxable year as a surviving spouse, as defined in Section 2(a) of the
 1268 Internal Revenue Code:

T57	Connecticut Taxable Income	Rate of Tax
T58	Not over \$20,000	3.0%
T59	Over \$20,000	\$600.00, plus 5.0% of the
T60		excess over \$20,000

1269 (D) For trusts or estates, the rate of tax shall be 5.0% of the
 1270 Connecticut taxable income.

1271 (7) For taxable years commencing on or after January 1, 2009, but
 1272 prior to January 1, 2011, in accordance with the following schedule:

1273 (A) For any person who files a return under the federal income tax
 1274 for such taxable year as an unmarried individual:

T61	Connecticut Taxable Income	Rate of Tax
T62	Not over \$10,000	3.0%

T63	Over \$10,000 but not	\$300.00, plus 5.0% of the
T64	over \$500,000	excess over \$10,000
T65	Over \$500,000	\$24,800, plus 6.5% of the
T66		excess over \$500,000

1275 (B) For any person who files a return under the federal income tax
 1276 for such taxable year as a head of household, as defined in Section 2(b)
 1277 of the Internal Revenue Code:

T67	Connecticut Taxable Income	Rate of Tax
T68	Not over \$16,000	3.0%
T69	Over \$16,000 but not	\$480.00, plus 5.0% of the
T70	over \$800,000	excess over \$16,000
T71	Over \$800,000	\$39,680, plus 6.5% of the
T72		excess over \$800,000

1278 (C) For any husband and wife who file a return under the federal
 1279 income tax for such taxable year as married individuals filing jointly or
 1280 any person who files a return under the federal income tax for such
 1281 taxable year as a surviving spouse, as defined in Section 2(a) of the
 1282 Internal Revenue Code:

T73	Connecticut Taxable Income	Rate of Tax
T74	Not over \$20,000	3.0%
T75	Over \$20,000 but not	\$600.00, plus 5.0% of the
T76	over \$1,000,000	excess over \$20,000
T77	Over \$1,000,000	\$49,600, plus 6.5% of the
T78		excess over \$1,000,000

1283 (D) For any person who files a return under the federal income tax
 1284 for such taxable year as a married individual filing separately:

T79	Connecticut Taxable Income	Rate of Tax
T80	Not over \$10,000	3.0%
T81	Over \$10,000 but not	\$300.00, plus 5.0% of the
T82	over \$500,000	excess over \$10,000
T83	Over \$500,000	\$24,800, plus 6.5% of the
T84		excess over \$500,000

1285 (E) For trusts or estates, the rate of tax shall be 6.5% of the
1286 Connecticut taxable income.

1287 (8) For taxable years commencing on or after January 1, 2011, but
1288 prior to January 1, 2015, in accordance with the following schedule:

1289 (A) (i) For any person who files a return under the federal income
1290 tax for such taxable year as an unmarried individual:

T85	Connecticut Taxable Income	Rate of Tax
T86	Not over \$10,000	3.0%
T87	Over \$10,000 but not	\$300.00, plus 5.0% of the
T88	over \$50,000	excess over \$10,000
T89	Over \$50,000 but not	\$2,300, plus 5.5% of the
T90	over \$100,000	excess over \$50,000
T91	Over \$100,000 but not	\$5,050, plus 6.0% of the
T92	over \$200,000	excess over \$100,000
T93	Over \$200,000 but not	\$11,050, plus 6.5% of the
T94	over \$250,000	excess over \$200,000
T95	Over \$250,000	\$14,300, plus 6.70% of the
T96		excess over \$250,000

1291 (ii) Notwithstanding the provisions of subparagraph (A)(i) of this
1292 subdivision, for each taxpayer whose Connecticut adjusted gross
1293 income exceeds fifty-six thousand five hundred dollars, the amount of
1294 the taxpayer's Connecticut taxable income to which the three-per-cent

1295 tax rate applies shall be reduced by one thousand dollars for each five
 1296 thousand dollars, or fraction thereof, by which the taxpayer's
 1297 Connecticut adjusted gross income exceeds said amount. Any such
 1298 amount of Connecticut taxable income to which, as provided in the
 1299 preceding sentence, the three-per-cent tax rate does not apply shall be
 1300 an amount to which the five-per-cent tax rate shall apply.

1301 (iii) Each taxpayer whose Connecticut adjusted gross income
 1302 exceeds two hundred thousand dollars shall pay, in addition to the tax
 1303 computed under the provisions of subparagraphs (A)(i) and (A)(ii) of
 1304 this subdivision, an amount equal to seventy-five dollars for each five
 1305 thousand dollars, or fraction thereof, by which the taxpayer's
 1306 Connecticut adjusted gross income exceeds two hundred thousand
 1307 dollars, up to a maximum payment of two thousand two hundred fifty
 1308 dollars.

1309 (B) (i) For any person who files a return under the federal income
 1310 tax for such taxable year as a head of household, as defined in Section
 1311 2(b) of the Internal Revenue Code:

T97	Connecticut Taxable Income	Rate of Tax
T98	Not over \$16,000	3.0%
T99	Over \$16,000 but not	\$480.00, plus 5.0% of the
T100	over \$80,000	excess over \$16,000
T101	Over \$80,000 but not	\$3,680, plus 5.5% of the
T102	over \$160,000	excess over \$80,000
T103	Over \$160,000 but not	\$8,080, plus 6.0% of the
T104	over \$320,000	excess over \$160,000
T105	Over \$320,000 but not	\$17,680, plus 6.5% of the
T106	over \$400,000	excess over \$320,000
T107	Over \$400,000	\$22,880, plus 6.70% of the
T108		excess over \$400,000

1312 (ii) Notwithstanding the provisions of subparagraph (B)(i) of this

1313 subdivision, for each taxpayer whose Connecticut adjusted gross
 1314 income exceeds seventy-eight thousand five hundred dollars, the
 1315 amount of the taxpayer's Connecticut taxable income to which the
 1316 three-per-cent tax rate applies shall be reduced by one thousand six
 1317 hundred dollars for each four thousand dollars, or fraction thereof, by
 1318 which the taxpayer's Connecticut adjusted gross income exceeds said
 1319 amount. Any such amount of Connecticut taxable income to which, as
 1320 provided in the preceding sentence, the three-per-cent tax rate does
 1321 not apply shall be an amount to which the five-per-cent tax rate shall
 1322 apply.

1323 (iii) Each taxpayer whose Connecticut adjusted gross income
 1324 exceeds three hundred twenty thousand dollars shall pay, in addition
 1325 to the tax computed under the provisions of subparagraphs (B)(i) and
 1326 (B)(ii) of this subdivision, an amount equal to one hundred twenty
 1327 dollars for each eight thousand dollars, or fraction thereof, by which
 1328 the taxpayer's Connecticut adjusted gross income exceeds three
 1329 hundred twenty thousand dollars, up to a maximum payment of three
 1330 thousand six hundred dollars.

1331 (C) (i) For any husband and wife who file a return under the federal
 1332 income tax for such taxable year as married individuals filing jointly or
 1333 any person who files a return under the federal income tax for such
 1334 taxable year as a surviving spouse, as defined in Section 2(a) of the
 1335 Internal Revenue Code:

T109	Connecticut Taxable Income	Rate of Tax
T110	Not over \$20,000	3.0%
T111	Over \$20,000 but not	\$600.00, plus 5.0% of the
T112	over \$100,000	excess over \$20,000
T113	Over \$100,000 but not	\$4,600, plus 5.5% of the
T114	over \$200,000	excess over \$100,000
T115	Over \$200,000 but not	\$10,100, plus 6.0% of the
T116	over \$400,000	excess over \$200,000

T117	Over \$400,000 but not	\$22,100, plus 6.5% of the
T118	over \$500,000	excess over \$400,000
T119	Over \$500,000	\$28,600, plus 6.70% of the
T120		excess over \$500,000

1336 (ii) Notwithstanding the provisions of subparagraph (C)(i) of this
1337 subdivision, for each taxpayer whose Connecticut adjusted gross
1338 income exceeds one hundred thousand five hundred dollars, the
1339 amount of the taxpayer's Connecticut taxable income to which the
1340 three-per-cent tax rate applies shall be reduced by two thousand
1341 dollars for each five thousand dollars, or fraction thereof, by which the
1342 taxpayer's Connecticut adjusted gross income exceeds said amount.
1343 Any such amount of Connecticut taxable income to which, as provided
1344 in the preceding sentence, the three-per-cent tax rate does not apply
1345 shall be an amount to which the five-per-cent tax rate shall apply.

1346 (iii) Each taxpayer whose Connecticut adjusted gross income
1347 exceeds four hundred thousand dollars shall pay, in addition to the tax
1348 computed under the provisions of subparagraphs (C)(i) and (C)(ii) of
1349 this subdivision, an amount equal to one hundred fifty dollars for each
1350 ten thousand dollars, or fraction thereof, by which the taxpayer's
1351 Connecticut adjusted gross income exceeds four hundred thousand
1352 dollars, up to a maximum payment of four thousand five hundred
1353 dollars.

1354 (D) (i) For any person who files a return under the federal income
1355 tax for such taxable year as a married individual filing separately:

T121	Connecticut Taxable Income	Rate of Tax
T122	Not over \$10,000	3.0%
T123	Over \$10,000 but not	\$300.00, plus 5.0% of the
T124	over \$50,000	excess over \$10,000
T125	Over \$50,000 but not	\$2,300, plus 5.5% of the

T126	over \$100,000	excess over \$50,000
T127	Over \$100,000 but not	\$5,050, plus 6.0% of the
T128	over \$200,000	excess over \$100,000
T129	Over \$200,000 but not	\$11,050, plus 6.5% of the
T130	over \$250,000	excess over \$200,000
T131	Over \$250,000	\$14,300, plus 6.70% of the
T132		excess over \$250,000

1356 (ii) Notwithstanding the provisions of subparagraph (D)(i) of this
 1357 subdivision, for each taxpayer whose Connecticut adjusted gross
 1358 income exceeds fifty thousand two hundred fifty dollars, the amount
 1359 of the taxpayer's Connecticut taxable income to which the three-per-
 1360 cent tax rate applies shall be reduced by one thousand dollars for each
 1361 two thousand five hundred dollars, or fraction thereof, by which the
 1362 taxpayer's Connecticut adjusted gross income exceeds said amount.
 1363 Any such amount of Connecticut taxable income to which, as provided
 1364 in the preceding sentence, the three-per-cent tax rate does not apply
 1365 shall be an amount to which the five-per-cent tax rate shall apply.

1366 (iii) Each taxpayer whose Connecticut adjusted gross income
 1367 exceeds two hundred thousand dollars shall pay, in addition to the tax
 1368 computed under the provisions of subparagraphs (D)(i) and (D)(ii) of
 1369 this subdivision, an amount equal to seventy-five dollars for each five
 1370 thousand dollars, or fraction thereof, by which the taxpayer's
 1371 Connecticut adjusted gross income exceeds two hundred thousand
 1372 dollars, up to a maximum payment of two thousand two hundred fifty
 1373 dollars.

1374 (E) For trusts or estates, the rate of tax shall be 6.70% of the
 1375 Connecticut taxable income.

1376 (9) For taxable years commencing on or after January 1, 2015, but
 1377 prior to January 1, 2017, in accordance with the following schedule:

1378 (A) (i) For any person who files a return under the federal income
1379 tax for such taxable year as an unmarried individual:

T133	Connecticut Taxable Income	Rate of Tax
T134	Not over \$10,000	3.0%
T135	Over \$10,000 but not	\$300.00, plus 5.0% of the
T136	over \$50,000	excess over \$10,000
T137	Over \$50,000 but not	\$2,300, plus 5.5% of the
T138	over \$100,000	excess over \$50,000
T139	Over \$100,000 but not	\$5,050, plus 6.0% of the
T140	over \$200,000	excess over \$100,000
T141	Over \$200,000 but not	\$11,050, plus 6.5% of the
T142	over \$250,000	excess over \$200,000
T143	Over \$250,000 but not	\$14,300, plus 6.9% of the
T144	over \$500,000	excess over \$250,000
T145	Over \$500,000	\$31,550, plus 6.99% of the
T146		excess over \$500,000

1380 (ii) Notwithstanding the provisions of subparagraph (A)(i) of this
1381 subdivision, for each taxpayer whose Connecticut adjusted gross
1382 income exceeds fifty-six thousand five hundred dollars, the amount of
1383 the taxpayer's Connecticut taxable income to which the three-per-cent
1384 tax rate applies shall be reduced by one thousand dollars for each five
1385 thousand dollars, or fraction thereof, by which the taxpayer's
1386 Connecticut adjusted gross income exceeds said amount. Any such
1387 amount of Connecticut taxable income to which, as provided in the
1388 preceding sentence, the three-per-cent tax rate does not apply shall be
1389 an amount to which the five-per-cent tax rate shall apply.

1390 (iii) Each taxpayer whose Connecticut adjusted gross income
1391 exceeds two hundred thousand dollars shall pay, in addition to the tax
1392 computed under the provisions of subparagraphs (A)(i) and (A)(ii) of
1393 this subdivision, an amount equal to ninety dollars for each five
1394 thousand dollars, or fraction thereof, by which the taxpayer's

1395 Connecticut adjusted gross income exceeds two hundred thousand
1396 dollars, up to a maximum payment of two thousand seven hundred
1397 dollars.

1398 (iv) Each taxpayer whose Connecticut adjusted gross income
1399 exceeds five hundred thousand dollars shall pay, in addition to the tax
1400 computed under the provisions of subparagraphs (A)(i), (A)(ii) and
1401 (A)(iii) of this subdivision, an amount equal to fifty dollars for each
1402 five thousand dollars, or fraction thereof, by which the taxpayer's
1403 Connecticut adjusted gross income exceeds five hundred thousand
1404 dollars, up to a maximum payment of four hundred fifty dollars.

1405 (B) (i) For any person who files a return under the federal income
1406 tax for such taxable year as a head of household, as defined in Section
1407 2(b) of the Internal Revenue Code:

T147	Connecticut Taxable Income	Rate of Tax
T148	Not over \$16,000	3.0%
T149	Over \$16,000 but not	\$480.00, plus 5.0% of the
T150	over \$80,000	excess over \$16,000
T151	Over \$80,000 but not	\$3,680, plus 5.5% of the
T152	over \$160,000	excess over \$80,000
T153	Over \$160,000 but not	\$8,080, plus 6.0% of the
T154	over \$320,000	excess over \$160,000
T155	Over \$320,000 but not	\$17,680, plus 6.5% of the
T156	over \$400,000	excess over \$320,000
T157	Over \$400,000 but not	\$22,880, plus 6.9% of the
T158	over \$800,000	excess over \$400,000
T159	Over \$800,000	\$50,480, plus 6.99% of the
T160		excess over \$800,000

1408 (ii) Notwithstanding the provisions of subparagraph (B)(i) of this
1409 subdivision, for each taxpayer whose Connecticut adjusted gross
1410 income exceeds seventy-eight thousand five hundred dollars, the

1411 amount of the taxpayer's Connecticut taxable income to which the
 1412 three-per-cent tax rate applies shall be reduced by one thousand six
 1413 hundred dollars for each four thousand dollars, or fraction thereof, by
 1414 which the taxpayer's Connecticut adjusted gross income exceeds said
 1415 amount. Any such amount of Connecticut taxable income to which, as
 1416 provided in the preceding sentence, the three-per-cent tax rate does
 1417 not apply shall be an amount to which the five-per-cent tax rate shall
 1418 apply.

1419 (iii) Each taxpayer whose Connecticut adjusted gross income
 1420 exceeds three hundred twenty thousand dollars shall pay, in addition
 1421 to the tax computed under the provisions of subparagraphs (B)(i) and
 1422 (B)(ii) of this subdivision, an amount equal to one hundred forty
 1423 dollars for each eight thousand dollars, or fraction thereof, by which
 1424 the taxpayer's Connecticut adjusted gross income exceeds three
 1425 hundred twenty thousand dollars, up to a maximum payment of four
 1426 thousand two hundred dollars.

1427 (iv) Each taxpayer whose Connecticut adjusted gross income
 1428 exceeds eight hundred thousand dollars shall pay, in addition to the
 1429 tax computed under the provisions of subparagraphs (B)(i), (B)(ii) and
 1430 (B)(iii) of this subdivision, an amount equal to eighty dollars for each
 1431 eight thousand dollars, or fraction thereof, by which the taxpayer's
 1432 Connecticut adjusted gross income exceeds eight hundred thousand
 1433 dollars, up to a maximum payment of seven hundred twenty dollars.

1434 (C) (i) For any husband and wife who file a return under the federal
 1435 income tax for such taxable year as married individuals filing jointly or
 1436 any person who files a return under the federal income tax for such
 1437 taxable year as a surviving spouse, as defined in Section 2(a) of the
 1438 Internal Revenue Code:

T161	Connecticut Taxable Income	Rate of Tax
T162	Not over \$20,000	3.0%
T163	Over \$20,000 but not	\$600.00, plus 5.0% of the

T164	over \$100,000	excess over \$20,000
T165	Over \$100,000 but not	\$4,600, plus 5.5% of the
T166	over \$200,000	excess over \$100,000
T167	Over \$200,000 but not	\$10,100, plus 6.0% of the
T168	over \$400,000	excess over \$200,000
T169	Over \$400,000 but not	\$22,100, plus 6.5% of the
T170	over \$500,000	excess over \$400,000
T171	Over \$500,000 but not	\$28,600, plus 6.9% of the
T172	over \$1,000,000	excess over <u>[\$500,00] \$500,000</u>
T173	Over \$1,000,000	\$63,100, plus 6.99% of the
T174		excess over \$1,000,000

1439 (ii) Notwithstanding the provisions of subparagraph (C)(i) of this
 1440 subdivision, for each taxpayer whose Connecticut adjusted gross
 1441 income exceeds one hundred thousand five hundred dollars, the
 1442 amount of the taxpayer's Connecticut taxable income to which the
 1443 three-per-cent tax rate applies shall be reduced by two thousand
 1444 dollars for each five thousand dollars, or fraction thereof, by which the
 1445 taxpayer's Connecticut adjusted gross income exceeds said amount.
 1446 Any such amount of Connecticut taxable income to which, as provided
 1447 in the preceding sentence, the three-per-cent tax rate does not apply
 1448 shall be an amount to which the five-per-cent tax rate shall apply.

1449 (iii) Each taxpayer whose Connecticut adjusted gross income
 1450 exceeds four hundred thousand dollars shall pay, in addition to the tax
 1451 computed under the provisions of subparagraphs (C)(i) and (C)(ii) of
 1452 this subdivision, an amount equal to one hundred eighty dollars for
 1453 each ten thousand dollars, or fraction thereof, by which the taxpayer's
 1454 Connecticut adjusted gross income exceeds four hundred thousand
 1455 dollars, up to a maximum payment of five thousand four hundred
 1456 dollars.

1457 (iv) Each taxpayer whose Connecticut adjusted gross income

1458 exceeds one million dollars shall pay, in addition to the tax computed
 1459 under the provisions of subparagraphs (C)(i), (C)(ii) and (C)(iii) of this
 1460 subdivision, an amount equal to one hundred dollars for each ten
 1461 thousand dollars, or fraction thereof, by which the taxpayer's
 1462 Connecticut adjusted gross income exceeds one million dollars, up to a
 1463 maximum payment of nine hundred dollars.

1464 (D) (i) For any person who files a return under the federal income
 1465 tax for such taxable year as a married individual filing separately:

T175	Connecticut Taxable Income	Rate of Tax
T176	Not over \$10,000	3.0%
T177	Over \$10,000 but not	\$300.00, plus 5.0% of the
T178	over \$50,000	excess over \$10,000
T179	Over \$50,000 but not	\$2,300, plus 5.5% of the
T180	over \$100,000	excess over \$50,000
T181	Over \$100,000 but not	\$5,050, plus 6.0% of the
T182	over \$200,000	excess over \$100,000
T183	Over \$200,000 but not	\$11,050, plus 6.5% of the
T184	over \$250,000	excess over \$200,000
T185	Over \$250,000 but not	\$14,300, plus 6.9% of the
T186	over \$500,000	excess over \$250,000
T187	Over \$500,000	\$31,550, plus 6.99% of the
T188		excess over \$500,000

1466 (ii) Notwithstanding the provisions of subparagraph (D)(i) of this
 1467 subdivision, for each taxpayer whose Connecticut adjusted gross
 1468 income exceeds fifty thousand two hundred fifty dollars, the amount
 1469 of the taxpayer's Connecticut taxable income to which the three-per-
 1470 cent tax rate applies shall be reduced by one thousand dollars for each
 1471 two thousand five hundred dollars, or fraction thereof, by which the
 1472 taxpayer's Connecticut adjusted gross income exceeds said amount.
 1473 Any such amount of Connecticut taxable income to which, as provided

1474 in the preceding sentence, the three-per-cent tax rate does not apply
1475 shall be an amount to which the five-per-cent tax rate shall apply.

1476 (iii) Each taxpayer whose Connecticut adjusted gross income
1477 exceeds two hundred thousand dollars shall pay, in addition to the tax
1478 computed under the provisions of subparagraphs (D)(i) and (D)(ii) of
1479 this subdivision, an amount equal to ninety dollars for each five
1480 thousand dollars, or fraction thereof, by which the taxpayer's
1481 Connecticut adjusted gross income exceeds two hundred thousand
1482 dollars, up to a maximum payment of two thousand seven hundred
1483 dollars.

1484 (iv) Each taxpayer whose Connecticut adjusted gross income
1485 exceeds five hundred thousand dollars shall pay, in addition to the tax
1486 computed under the provisions of subparagraphs (D)(i), (D)(ii) and
1487 (D)(iii) of this subdivision, an amount equal to fifty dollars for each
1488 five thousand dollars, or fraction thereof, by which the taxpayer's
1489 Connecticut adjusted gross income exceeds five hundred thousand
1490 dollars, up to a maximum payment of four hundred fifty dollars.

1491 (E) For trusts or estates, the rate of tax shall be 6.99% of the
1492 Connecticut taxable income.

1493 (10) For taxable years commencing on or after January 1, 2017, in
1494 accordance with the following schedule:

1495 (A) (i) For any person who files a return under the federal income
1496 tax for such taxable year as an unmarried individual:

T189	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T190	<u>Not over \$10,000</u>	<u>3.0%</u>
T191	<u>Over \$10,000 but not</u>	<u>\$300.00, plus 5.0% of the</u>
T192	<u>over \$50,000</u>	<u>excess over \$10,000</u>
T193	<u>Over \$50,000 but not</u>	<u>\$2,300, plus 5.5% of the</u>
T194	<u>over \$100,000</u>	<u>excess over \$50,000</u>

T195	<u>Over \$100,000 but not</u>	<u>\$5,050, plus 6.0% of the</u>
T196	<u>over \$200,000</u>	<u>excess over \$100,000</u>
T197	<u>Over \$200,000 but not</u>	<u>\$11,050, plus 6.5% of the</u>
T198	<u>over \$250,000</u>	<u>excess over \$200,000</u>
T199	<u>Over \$250,000 but not</u>	<u>\$14,300, plus 6.9% of the</u>
T200	<u>over \$500,000</u>	<u>excess over \$250,000</u>
T201	<u>Over \$500,000</u>	<u>\$31,550, plus 7.49% of the</u>
T202		<u>excess over \$500,000</u>

1497 (ii) Notwithstanding the provisions of subparagraph (A)(i) of this
1498 subdivision, for each taxpayer whose Connecticut adjusted gross
1499 income exceeds fifty-six thousand five hundred dollars, the amount of
1500 the taxpayer's Connecticut taxable income to which the three-per-cent
1501 tax rate applies shall be reduced by one thousand dollars for each five
1502 thousand dollars, or fraction thereof, by which the taxpayer's
1503 Connecticut adjusted gross income exceeds said amount. Any such
1504 amount of Connecticut taxable income to which, as provided in the
1505 preceding sentence, the three-per-cent tax rate does not apply shall be
1506 an amount to which the five-per-cent tax rate shall apply.

1507 (iii) Each taxpayer whose Connecticut adjusted gross income
1508 exceeds two hundred thousand dollars shall pay, in addition to the tax
1509 computed under the provisions of subparagraphs (A)(i) and (A)(ii) of
1510 this subdivision, an amount equal to ninety dollars for each five
1511 thousand dollars, or fraction thereof, by which the taxpayer's
1512 Connecticut adjusted gross income exceeds two hundred thousand
1513 dollars, up to a maximum payment of two thousand seven hundred
1514 dollars.

1515 (iv) Each taxpayer whose Connecticut adjusted gross income
1516 exceeds five hundred thousand dollars shall pay, in addition to the tax
1517 computed under the provisions of subparagraphs (A)(i), (A)(ii) and
1518 (A)(iii) of this subdivision, an amount equal to one hundred fifty
1519 dollars for each five thousand dollars, or fraction thereof, by which the

1520 taxpayer's Connecticut adjusted gross income exceeds five hundred
 1521 thousand dollars, up to a maximum payment of two thousand eight
 1522 hundred fifty dollars.

1523 (B) (i) For any person who files a return under the federal income
 1524 tax for such taxable year as a head of household, as defined in Section
 1525 2(b) of the Internal Revenue Code:

T203	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T204	<u>Not over \$16,000</u>	<u>3.0%</u>
T205	<u>Over \$16,000 but not</u>	<u>\$480.00, plus 5.0% of the</u>
T206	<u>over \$80,000</u>	<u>excess over \$16,000</u>
T207	<u>Over \$80,000 but not</u>	<u>\$3,680, plus 5.5% of the</u>
T208	<u>over \$160,000</u>	<u>excess over \$80,000</u>
T209	<u>Over \$160,000 but not</u>	<u>\$8,080, plus 6.0% of the</u>
T210	<u>over \$320,000</u>	<u>excess over \$160,000</u>
T211	<u>Over \$320,000 but not</u>	<u>\$17,680, plus 6.5% of the</u>
T212	<u>over \$400,000</u>	<u>excess over \$320,000</u>
T213	<u>Over \$400,000 but not</u>	<u>\$22,880, plus 6.9% of the</u>
T214	<u>over \$800,000</u>	<u>excess over \$400,000</u>
T215	<u>Over \$800,000</u>	<u>\$50,480, plus 7.49% of the</u>
T216		<u>excess over \$800,000</u>

1526 (ii) Notwithstanding the provisions of subparagraph (B)(i) of this
 1527 subdivision, for each taxpayer whose Connecticut adjusted gross
 1528 income exceeds seventy-eight thousand five hundred dollars, the
 1529 amount of the taxpayer's Connecticut taxable income to which the
 1530 three-per-cent tax rate applies shall be reduced by one thousand six
 1531 hundred dollars for each four thousand dollars, or fraction thereof, by
 1532 which the taxpayer's Connecticut adjusted gross income exceeds said
 1533 amount. Any such amount of Connecticut taxable income to which, as
 1534 provided in the preceding sentence, the three-per-cent tax rate does
 1535 not apply shall be an amount to which the five-per-cent tax rate shall
 1536 apply.

1537 (iii) Each taxpayer whose Connecticut adjusted gross income
 1538 exceeds three hundred twenty thousand dollars shall pay, in addition
 1539 to the tax computed under the provisions of subparagraphs (B)(i) and
 1540 (B)(ii) of this subdivision, an amount equal to one hundred forty
 1541 dollars for each eight thousand dollars, or fraction thereof, by which
 1542 the taxpayer's Connecticut adjusted gross income exceeds three
 1543 hundred twenty thousand dollars, up to a maximum payment of four
 1544 thousand two hundred dollars.

1545 (iv) Each taxpayer whose Connecticut adjusted gross income
 1546 exceeds eight hundred thousand dollars shall pay, in addition to the
 1547 tax computed under the provisions of subparagraphs (B)(i), (B)(ii) and
 1548 (B)(iii) of this subdivision, an amount equal to two hundred forty
 1549 dollars for each eight thousand dollars, or fraction thereof, by which
 1550 the taxpayer's Connecticut adjusted gross income exceeds eight
 1551 hundred thousand dollars, up to a maximum payment of four
 1552 thousand five hundred sixty dollars.

1553 (C) (i) For any husband and wife who file a return under the federal
 1554 income tax for such taxable year as married individuals filing jointly or
 1555 any person who files a return under the federal income tax for such
 1556 taxable year as a surviving spouse, as defined in Section 2(a) of the
 1557 Internal Revenue Code:

T217	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T218	<u>Not over \$20,000</u>	<u>3.0%</u>
T219	<u>Over \$20,000 but not</u>	<u>\$600.00, plus 5.0% of the</u>
T220	<u>over \$100,000</u>	<u>excess over \$20,000</u>
T221	<u>Over \$100,000 but not</u>	<u>\$4,600, plus 5.5% of the</u>
T222	<u>over \$200,000</u>	<u>excess over \$100,000</u>
T223	<u>Over \$200,000 but not</u>	<u>\$10,100, plus 6.0% of the</u>
T224	<u>over \$400,000</u>	<u>excess over \$200,000</u>
T225	<u>Over \$400,000 but not</u>	<u>\$22,100, plus 6.5% of the</u>
T226	<u>over \$500,000</u>	<u>excess over \$400,000</u>

T227	<u>Over \$500,000 but not</u>	<u>\$28,600, plus 6.9% of the</u>
T228	<u>over \$1,000,000</u>	<u>excess over \$500,000</u>
T229	<u>Over \$1,000,000</u>	<u>\$63,100, plus 7.49% of the</u>
T230		<u>excess over \$1,000,000</u>

1558 (ii) Notwithstanding the provisions of subparagraph (C)(i) of this
 1559 subdivision, for each taxpayer whose Connecticut adjusted gross
 1560 income exceeds one hundred thousand five hundred dollars, the
 1561 amount of the taxpayer's Connecticut taxable income to which the
 1562 three-per-cent tax rate applies shall be reduced by two thousand
 1563 dollars for each five thousand dollars, or fraction thereof, by which the
 1564 taxpayer's Connecticut adjusted gross income exceeds said amount.
 1565 Any such amount of Connecticut taxable income to which, as provided
 1566 in the preceding sentence, the three-per-cent tax rate does not apply
 1567 shall be an amount to which the five-per-cent tax rate shall apply.

1568 (iii) Each taxpayer whose Connecticut adjusted gross income
 1569 exceeds four hundred thousand dollars shall pay, in addition to the tax
 1570 computed under the provisions of subparagraphs (C)(i) and (C)(ii) of
 1571 this subdivision, an amount equal to one hundred eighty dollars for
 1572 each ten thousand dollars, or fraction thereof, by which the taxpayer's
 1573 Connecticut adjusted gross income exceeds four hundred thousand
 1574 dollars, up to a maximum payment of five thousand four hundred
 1575 dollars.

1576 (iv) Each taxpayer whose Connecticut adjusted gross income
 1577 exceeds one million dollars shall pay, in addition to the tax computed
 1578 under the provisions of subparagraphs (C)(i), (C)(ii) and (C)(iii) of this
 1579 subdivision, an amount equal to three hundred dollars for each ten
 1580 thousand dollars, or fraction thereof, by which the taxpayer's
 1581 Connecticut adjusted gross income exceeds one million dollars, up to a
 1582 maximum payment of five thousand seven hundred dollars.

1583 (D) (i) For any person who files a return under the federal income

1584 tax for such taxable year as a married individual filing separately:

T231	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T232	<u>Not over \$10,000</u>	<u>3.0%</u>
T233	<u>Over \$10,000 but not</u>	<u>\$300.00, plus 5.0% of the</u>
T234	<u>over \$50,000</u>	<u>excess over \$10,000</u>
T235	<u>Over \$50,000 but not</u>	<u>\$2,300, plus 5.5% of the</u>
T236	<u>over \$100,000</u>	<u>excess over \$50,000</u>
T237	<u>Over \$100,000 but not</u>	<u>\$5,050, plus 6.0% of the</u>
T238	<u>over \$200,000</u>	<u>excess over \$100,000</u>
T239	<u>Over \$200,000 but not</u>	<u>\$11,050, plus 6.5% of the</u>
T240	<u>over \$250,000</u>	<u>excess over \$200,000</u>
T241	<u>Over \$250,000 but not</u>	<u>\$14,300, plus 6.9% of the</u>
T242	<u>over \$500,000</u>	<u>excess over \$250,000</u>
T243	<u>Over \$500,000</u>	<u>\$31,550, plus 7.49% of the</u>
T244		<u>excess over \$500,000</u>

1585 (ii) Notwithstanding the provisions of subparagraph (D)(i) of this
 1586 subdivision, for each taxpayer whose Connecticut adjusted gross
 1587 income exceeds fifty thousand two hundred fifty dollars, the amount
 1588 of the taxpayer's Connecticut taxable income to which the three-per-
 1589 cent tax rate applies shall be reduced by one thousand dollars for each
 1590 two thousand five hundred dollars, or fraction thereof, by which the
 1591 taxpayer's Connecticut adjusted gross income exceeds said amount.
 1592 Any such amount of Connecticut taxable income to which, as provided
 1593 in the preceding sentence, the three-per-cent tax rate does not apply
 1594 shall be an amount to which the five-per-cent tax rate shall apply.

1595 (iii) Each taxpayer whose Connecticut adjusted gross income
 1596 exceeds two hundred thousand dollars shall pay, in addition to the tax
 1597 computed under the provisions of subparagraphs (D)(i) and (D)(ii) of
 1598 this subdivision, an amount equal to ninety dollars for each five
 1599 thousand dollars, or fraction thereof, by which the taxpayer's

1600 Connecticut adjusted gross income exceeds two hundred thousand
1601 dollars, up to a maximum payment of two thousand seven hundred
1602 dollars.

1603 (iv) Each taxpayer whose Connecticut adjusted gross income
1604 exceeds five hundred thousand dollars shall pay, in addition to the tax
1605 computed under the provisions of subparagraphs (D)(i), (D)(ii) and
1606 (D)(iii) of this subdivision, an amount equal to one hundred fifty
1607 dollars for each five thousand dollars, or fraction thereof, by which the
1608 taxpayer's Connecticut adjusted gross income exceeds five hundred
1609 thousand dollars, up to a maximum payment of two thousand eight
1610 hundred fifty dollars.

1611 (E) For trusts or estates, the rate of tax shall be 7.49% of the
1612 Connecticut taxable income.

1613 [(10)] (11) The provisions of this subsection shall apply to resident
1614 trusts and estates and, wherever reference is made in this subsection to
1615 residents of this state, such reference shall be construed to include
1616 resident trusts and estates, provided any reference to a resident's
1617 Connecticut adjusted gross income derived from sources without this
1618 state or to a resident's Connecticut adjusted gross income shall be
1619 construed, in the case of a resident trust or estate, to mean the resident
1620 trust or estate's Connecticut taxable income derived from sources
1621 without this state and the resident trust or estate's Connecticut taxable
1622 income, respectively.

1623 (b) There is hereby imposed on the Connecticut taxable income
1624 derived from or connected with sources within this state of each
1625 nonresident a tax which shall be the product of an amount equal to the
1626 tax computed as if such nonresident were a resident, multiplied by a
1627 fraction, the numerator of which is the nonresident's Connecticut
1628 adjusted gross income derived from or connected with sources within
1629 this state and the denominator of which is the nonresident's
1630 Connecticut adjusted gross income, provided, if the nonresident's

1631 Connecticut adjusted gross income is less than such nonresident's
1632 Connecticut adjusted gross income derived from or connected with
1633 sources within this state, (1) such nonresident's Connecticut adjusted
1634 gross income derived from or connected with sources within this state,
1635 reduced by the amount of the exemption provided in section 12-702,
1636 shall be such nonresident's Connecticut taxable income derived from
1637 or connected with sources within this state and shall be multiplied by
1638 the tax rate specified in subsection (a) of this section for the purposes
1639 of determining the tax pursuant to this section and (2) such
1640 nonresident's Connecticut adjusted gross income derived from or
1641 connected with sources within this state shall be such nonresident's
1642 Connecticut adjusted gross income for the purposes of determining the
1643 credit pursuant to section 12-703. The provisions of this subsection
1644 shall also apply to nonresident trusts and estates and, wherever
1645 reference is made in this subsection to nonresidents of this state, such
1646 reference shall be construed to include nonresident trusts and estates,
1647 provided any reference to a nonresident's Connecticut adjusted gross
1648 income derived from sources within this state or to a nonresident's
1649 Connecticut adjusted gross income shall be construed, in the case of a
1650 nonresident trust or estate, to mean the nonresident trust or estate's
1651 Connecticut taxable income derived from sources within this state and
1652 the nonresident trust or estate's Connecticut taxable income,
1653 respectively.

1654 (c) (1) There is hereby imposed on the Connecticut taxable income
1655 derived from or connected with sources within this state of each part-
1656 year resident a tax which shall be a product equal to the tax computed
1657 as if such part-year resident were a resident, multiplied by a fraction,
1658 the numerator of which is the part-year resident's Connecticut adjusted
1659 gross income derived from or connected with sources within this state,
1660 as described in subsection (a) of section 12-717, and the denominator of
1661 which is the part-year resident's Connecticut adjusted gross income, as
1662 described in subdivision (2) of this subsection, provided, if the part-
1663 year resident's Connecticut adjusted gross income is less than such

1664 part-year resident's Connecticut adjusted gross income derived from
1665 or connected with sources within this state, (A) such part-year
1666 resident's Connecticut adjusted gross income derived from or
1667 connected with sources within this state, reduced by the amount of the
1668 exemption provided in section 12-702, shall be such part-year
1669 resident's Connecticut taxable income derived from or connected with
1670 sources within this state and shall be multiplied by the tax rate
1671 specified in subsection (a) of this section for the purposes of
1672 determining the tax pursuant to this section and (B) such part-year
1673 resident's Connecticut adjusted gross income derived from or
1674 connected with sources within this state shall be such part-year
1675 resident's adjusted gross income for the purposes of determining the
1676 credit pursuant to section 12-703. The provisions of this subsection
1677 shall apply to part-year resident trusts and, wherever reference is
1678 made in this subsection to part-year residents, such reference shall be
1679 construed to include part-year resident trusts, provided any reference
1680 to a part-year resident's Connecticut adjusted gross income derived
1681 from sources within this state or a part-year resident's Connecticut
1682 adjusted gross income shall be construed, in the case of a part-year
1683 resident trust, to mean the part-year resident trust's Connecticut
1684 taxable income derived from sources within this state and the part-
1685 year resident trust's Connecticut taxable income, respectively.

1686 (2) For purposes of subdivision (1) of this subsection and subsection
1687 (a), the Connecticut adjusted gross income of a part-year resident (A)
1688 changing his status from resident to nonresident shall be increased or
1689 decreased, as the case may be, by the items accrued under subdivision
1690 (1) of subsection (c) of section 12-717, to the extent not otherwise
1691 includable in Connecticut adjusted gross income for the taxable year
1692 and (B) changing his status from nonresident to resident shall be
1693 increased or decreased, as the case may be, by the items accrued under
1694 subdivision (2) of subsection (c) of section 12-717, to the extent
1695 included in Connecticut adjusted gross income for the taxable year.

1696 (d) The provisions of this chapter shall be applicable with respect to

1697 any person, trust or estate. Whenever, in this chapter, "any person"
1698 appears without "trust or estate", the reference to any person shall be
1699 deemed to include any trust and any estate unless, in the context of the
1700 particular provision, the reference to any person could not be
1701 applicable in the case of a trust or in the case of an estate.

1702 Sec. 11. Subsection (a) of section 32-602 of the general statutes is
1703 repealed and the following is substituted in lieu thereof (*Effective July*
1704 *1, 2017*):

1705 (a) The purpose of the Capital Region Development Authority shall
1706 be (1) to stimulate new investment within the capital region and
1707 provide support for multicultural destinations and the creation of a
1708 vibrant multidimensional downtown; (2) to work with the Department
1709 of Economic and Community Development to attract through a
1710 coordinated sales and marketing effort with the state's major sports,
1711 convention and exhibition venues large conventions, trade shows,
1712 exhibitions, conferences, consumer shows and events; (3) to encourage
1713 residential housing development; (4) to operate, maintain and market
1714 the convention center; (5) to stimulate family-oriented tourism, art,
1715 culture, history, education and entertainment through cooperation and
1716 coordination with city and regional organizations; (6) to manage
1717 facilities through contractual agreement or other legal instrument; (7)
1718 to stimulate economic development in the capital region by investing
1719 in development and redevelopment projects in downtown Hartford,
1720 leveraging capital to promote and participate in economic activity
1721 programs in such area and actively engaging in other initiatives to
1722 spur development; (8) upon request from the legislative body of a city
1723 or town within the capital region, to work with such city or town to
1724 assist in the development and redevelopment efforts to stimulate the
1725 economy of the region and increase tourism; (9) upon request of the
1726 Secretary of the Office of Policy and Management, to enter into an
1727 agreement for funding to facilitate the relocation of state offices within
1728 the capital city economic development district; (10) in addition to the
1729 authority set forth in subdivision (9) of section 32-600, to develop and

1730 redevelop property within the town and city of Hartford; and (11) to
 1731 market and develop the capital city economic development district as a
 1732 multicultural destination and create a vibrant, multidimensional
 1733 downtown.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2017, and applicable to sales occurring on or after July 1, 2017</i>	12-408(1)(B)
Sec. 2	<i>July 1, 2017, and applicable to sales occurring on or after July 1, 2017</i>	12-411(1)(B)
Sec. 3	<i>July 1, 2017, and applicable to sales occurring on or after July 1, 2017</i>	12-407
Sec. 4	<i>July 1, 2017</i>	12-408
Sec. 5	<i>July 1, 2017</i>	12-411
Sec. 6	<i>July 1, 2017</i>	New section
Sec. 7	<i>July 1, 2017</i>	23-26
Sec. 8	<i>July 1, 2017</i>	New section
Sec. 9	<i>July 1, 2017</i>	12-743
Sec. 10	<i>July 1, 2017, and applicable to income years commencing on or after January 1, 2017</i>	12-700
Sec. 11	<i>July 1, 2017</i>	32-602(a)

Statement of Purpose:

To (1) establish an occupancy tax rate of ten per cent on bed and breakfast establishments, (2) dedicate a portion of the occupancy sales and use taxes on hotels and lodging houses to promoting and developing state tourism, (3) implement a fee on passenger motor vehicle registrations, for which individuals receive free parking at state parks, to be used for state parks and state campgrounds, the Council on Environmental Quality, fish hatcheries and the pheasant stocking

program, (4) establish the mental health community investment account and allow taxpayers to contribute any part of a refund to such account, (5) increase certain personal income tax rates, and (6) expand the purpose of the Capital Region Development Authority to actively and directly participate in stimulating economic development in the capital region.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]